

Also, memorial of National Council of American Cotton Manufacturers, urging development of American foreign trade; to the Committee on Interstate and Foreign Commerce.

By Mr. RANDALL: Memorial of Van Nuys Woman's Club, of Van Nuys, Cal., recommending early passage of the Susan B. Anthony amendment, in order that womanhood may cooperate in carrying on and concluding the great war; to the Committee on Woman Suffrage.

Also, memorial of Central Labor Council of Los Angeles, protesting against present low salaries and unfavorable working conditions of postal employees, and urging investigation by Congress of eight enumerated items of injustice practiced against such employees; to the Committee on the Post Office and Post Roads.

Also, memorial of South Side Ebell Club, of Los Angeles, favoring adoption of Susan B. Anthony suffrage amendment to the Constitution; to the Committee on Woman Suffrage.

Also, memorial of Los Angeles District, California Federation of Women's Clubs, urging the passage of the Susan B. Anthony amendment for woman suffrage; to the Committee on Woman Suffrage.

Also, memorial of Chamber of Commerce, Santa Barbara, Cal., indorsing military highway from Blaine, Wash., to San Diego, Cal.; to the Committee on Military Affairs.

Also, memorial of Long Beach Post, No. 181, Grand Army of the Republic, Long Beach, Cal., asking Congress to increase to \$50 per month pensions of its members and all veterans of the Civil War on account of the present high cost of living; to the Committee on Invalid Pensions.

Also, memorial of Pomona Ebell Club, Pomona, Cal., favoring the Susan B. Anthony amendment for woman suffrage as a war-emergency measure, in order that womanhood of America may more fully cooperate in carrying on and concluding the great war; to the Committee on Woman Suffrage.

Also, memorial of Holt Post, No. 403, Grand Army of the Republic, Fredonia, N. Y., asking that all pensions of veterans of the Civil War be increased to \$50 per month during the present high cost of living; to the Committee on Invalid Pensions.

Also, petition of sundry citizens of Covina, Cal., asking for complete prohibition of manufacture and sale of intoxicants during the war; to the Committee on the Judiciary.

Also, petition of members of Auxiliary No. 52, National Association of Letter Carriers, Los Angeles, asking for a fair living wage and better working conditions for letter carriers; to the Committee on the Post Office and Post Roads.

Also, memorial of Bartlett-Logan Post, Grand Army of the Republic, of Los Angeles, praying for increased allowance of pensions to continue during the prevalence of the high cost of living; to the Committee on Invalid Pensions.

Also, memorial of California Federation of Women's Clubs, recommending early passage of Susan B. Anthony suffrage amendment; to the Committee on Woman Suffrage.

Also, memorial of Los Angeles Branch, National Association of Letter Carriers; Railway Mail Association; United National Association of Post Office Clerks; and State Association of Rural Letter Carriers, stating that present salaries of postal employees are entirely inadequate to meet the high cost of living, and urging legislation which will bring about improved conditions; to the Committee on the Post Office and Post Roads.

Also, petition of Central Woman's Christian Temperance Union, of Pasadena, Cal., asking for complete prohibition of manufacture and sale of intoxicants, including whisky, beer, and wine, during the war; to the Committee on the Judiciary.

Also, memorial of Friday Morning Club of Los Angeles indorsing the Susan B. Anthony amendment and recommending its early passage by the Sixty-fifth Congress as a war emergency measure in order that the womanhood of America may more fully cooperate in the efficient carrying on and concluding of the great war our Nation is engaged in; to the Committee on Woman Suffrage.

## SENATE.

FRIDAY, January 4, 1918.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we come before Thee seeking Thy blessing for this day's service—a day laden with momentous issues and responsibilities that we dare not face alone. We ask Thy blessing upon us. We pray that Thou wilt bless our allies, who with us are lovers of peace, but who love justice and freedom more. We pray Thee to give success to their arms, and we pray that Thou wilt give unity of counsel to all who are gathered together in a mighty array of strength against an organization of ill

will against the rest of the world. Give success, we pray Thee, to all our endeavors to establish again a brotherhood of nations in the earth. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

### ARMY QUARTERS (H. DOC. NO. 701).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, stating that, due to our entrance into the European war, it has been impracticable to spare from their duties the necessary officers to make the detailed plans and estimates called for by the act approved June 12, 1917, relative to the most desirable method for quartering officers and enlisted men of the Army, etc., which was referred to the Committee on Military Affairs and ordered to be printed.

### ACCOMMODATIONS FOR AIRCRAFT (H. DOC. NO. 725.)

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting, pursuant to law, certain information relating to the land, buildings, and other facilities now available or to be acquired for the accommodation of airships and other aerial machines to be used in connection with the sea-coast defense of the continental United States, the insular possessions, and the Panama Canal, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

### TRAVEL OF EMPLOYEES OF WAR DEPARTMENT (H. DOC. NO. 712).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting, pursuant to law, a statement showing the travel in detail of officers and employees of the War Department on official business from Washington to points outside of the District of Columbia, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

### ALASKAN ENGINEERING COMMISSION (H. DOC. NO. 702).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a statement relative to the increase in compensation paid employees of the Alaskan Engineering Commission, at Washington, D. C., and Seattle, Wash., which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

### SNOW AND ICE IN THE DISTRICT OF COLUMBIA (S. DOC. NO. 158.)

The VICE PRESIDENT laid before the Senate a communication from the Commissioners of the District of Columbia, transmitting, in response to a resolution of December 17, 1917, information relative to what measures have been taken for cleaning ice and snow from the sidewalks in the city of Washington, which was referred to the Committee on the District of Columbia and ordered to be printed.

### NELSON ERICKSON V. THE UNITED STATES (S. DOC. NO. 157).

The VICE PRESIDENT laid before the Senate a communication from the chief clerk of the Court of Claims, transmitting a certified copy of the findings of fact and conclusion filed by the court in the cause of Nelson Erickson v. The United States, which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

### DISPOSITION OF USELESS PAPERS.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Civil Service Commission, transmitting, pursuant to law, schedules of useless papers and documents on the files of the commission and requesting action looking to their disposition. The communication and accompanying paper will be referred to the Joint Select Committee on the Disposition of Useless Papers in the Executive Departments, and the Chair appoints the Senator from Washington [Mr. JONES] and the Senator from New Hampshire [Mr. HOLLIS] the committee on the part of the Senate. The Secretary will notify the House of Representatives thereof.

### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. G. F. Turner, one of its clerks, announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 7607. An act to authorize the calling into the service of the United States the militia and other locally created armed forces in the Philippine Islands, and for other purposes; and

H. J. Res. 195. Joint resolution amending the act entitled "An act to provide revenue to defray war expenses, and for other purposes," approved October 3, 1917, so as to subject to the war-excess-profits tax the compensation of officers and employees under the United States, including Members of Congress.

The message also announced that the House had passed a concurrent resolution providing that the two Houses of Congress

assemble in the Hall of the House of Representatives on Friday, the 4th day of January, 1918, at 12 o'clock and 30 minutes in the afternoon, for the purpose of receiving such communication as the President of the United States shall be pleased to make to them, in which it requested the concurrence of the Senate.

The message further communicated to the Senate the intelligence of the death of Hon. ELLSWORTH R. BATHURICK, late a Representative from the State of Ohio, and transmitted resolutions of the House thereon.

The message also announced that the House had passed resolutions relative to the death of Hon. FRANCIS GRIFFITH NEWLANDS, late a Senator from the State of Nevada.

#### PETITIONS AND MEMORIALS.

Mr. GALLINGER presented a petition of Local Union No. 921, United Brotherhood of Carpenters and Joiners of America, of Portsmouth, N. H., praying for national woman suffrage, which was ordered to lie on the table.

Mr. SMOOT. I was requested by the American Bar Association, through its president, to present a petition addressed to the Congress of the United States asking that section 209 of the war-revenue act be repealed. The petition is signed by the president of the American Bar Association and all the members of the executive committee of the association. I ask that it may be printed in the RECORD and referred to the Committee on Finance.

There being no objection, the petition was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

#### To the Congress of the United States:

The undersigned, being the president and all of the members of the executive committee of the American Bar Association, respectfully call the attention of the Congress to the unfairness of the supertax on professional incomes imposed by section 209 of the war-revenue act approved October 3, 1917.

Much might be said in favor of a lower income tax on incomes from professions than upon incomes from investments, but there has been no disposition on the part of the American bar to object to the payment of the same income tax as is paid by others, or, indeed, to any plan of taxation under which lawyers are called upon to bear their fair share of the burden. It seems, however, very unjust that incomes from the practice of any profession, whether legal, medical, or otherwise, which are the result of personal effort and which provide not only for the current support of the professional man but also the savings for his old age, should be subject to a heavy supertax, so that the professional man who works for his income is in a much worse position than the idle man receiving his income from invested wealth.

Wherefore the undersigned respectfully urge that said section 209 of the war-revenue act be repealed.

Walter George Smith, president, Philadelphia, Pa.; Geo. Whitelock, Baltimore, Md.; Frederick E. Wadham, Albany, N. Y.; Geo. Sutherland, Salt Lake City, Utah; R. E. L. Saner, Dallas, Tex.; Charles N. Potter, Cheyenne, Wyo.; John Lowell, Boston, Mass.; C. W. Hood Smith, Topeka, Kans.; Ashley Cockrill, Little Rock, Ark.; F. A. Hammond, Atlanta, Ga.; Geo. F. Page, Peoria, Ill.; U. S. G. Cherry, Sioux Falls, S. Dak.; Charles Thaddeus Terry, New York, N. Y.

WASHINGTON, December 3, 1917.

Mr. CURTIS presented a petition of sundry veterans of the Civil War residing at Bonner Springs, Kans., praying for an increase in the pensions of veterans of the Civil War, which was referred to the Committee on Pensions.

He also presented resolutions adopted by the Kansas State Horticultural Society, favoring a fixed standard of weights and measures, which were referred to the Committee on Standards, Weights, and Measures.

He also presented a petition of sundry citizens of Wichita, Kans., and a petition of sundry citizens of Topeka, Kans., praying for the enactment of legislation to create a pharmaceutical corps in the Army, which were referred to the Committee on Military Affairs.

Mr. HARDING presented a petition of sundry members of the Fire Department of Columbus, Ohio, praying for the enactment of legislation to increase the salaries of mail carriers, which was referred to the Committee on Post Offices and Post Roads.

Mr. THOMPSON presented a petition of sundry citizens of Arkansas City, Hartford, and Erie, all in the State of Kansas, praying for the enactment of legislation to increase the salaries of rural letter carriers, which were referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of Wichita, Kans., and a petition of sundry citizens of Topeka, Kans., praying for the enactment of legislation to create a pharmaceutical corps in the Army, which were referred to the Committee on Military Affairs.

He also presented a petition of the Kansas State Horticultural Society, praying for the establishment of a fixed standard of weights and measures, which was referred to the Committee on Standards, Weights, and Measures.

Mr. FLETCHER presented resolutions adopted by the Florida Federation of Women's Clubs, favoring the adoption of an amendment to the Constitution enfranchising women, as a war measure, which were ordered to lie on the table.

Mr. NELSON presented a memorial of the Federated Trades Assembly of Duluth, Minn., remonstrating against the passage of the so-called compulsory military training bill, which was referred to the Committee on Military Affairs.

He also presented a petition of George N. Morgan Post, No. 4, Department of Minnesota, Grand Army of the Republic, of Minneapolis, Minn., praying for an increase in pensions of veterans of the Civil War, which was referred to the Committee on Pensions.

Mr. JONES of Washington presented petitions of sundry citizens of North Yakima and Seattle, in the State of Washington, praying for an increase in the salaries of postal employees, which were referred to the Committee on Post Offices and Post Roads.

Mr. TOWNSEND presented a petition of sundry grape growers of Van Buren County, Mich., praying that grape juice be taken off the list of nonessentials, which was referred to the Committee on Finance.

Mr. CHAMBERLAIN presented a petition of sundry citizens of Oregon, praying for the enactment of legislation to punish persons and others responsible for pro-German activities, which was referred to the Committee on the Judiciary.

Mr. WEEKS presented petitions of sundry citizens of Suffolk County, Mass., praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which were ordered to lie on the table.

Mr. KENYON presented the petition of Alice M. Blake and sundry other citizens of Toledo, Iowa, praying for national woman suffrage, which was ordered to lie on the table.

He also presented resolutions adopted by Dunlap Post, No. 147, Grand Army of the Republic, Department of Iowa, of Rock Rapids, Iowa, and a petition of sundry veterans of the Civil War residing in Louisa County, Iowa, favoring an increase of pensions for all veterans of the Civil War, which were referred to the Committee on Pensions.

Mr. PHELAN presented a petition of the board of supervisors of San Bernardino County, Cal., praying for the enactment of legislation for the conservation and control of flood waters of the Santa Ana River and its tributaries, which was referred to the Committee on Commerce.

He also presented a petition of the Trades and Labor Council of Vallejo, Cal., praying for the enactment of legislation providing for the retirement with pay or pension for all employees of the Federal Government, which was referred to the Committee on Pensions.

He also presented a petition of the Federated Trades and Labor Council of San Diego, Cal., praying for the enactment of legislation providing for the retirement of postal employees, which was referred to the Committee on Post Offices and Post Roads.

Mr. LODGE presented petitions of sundry citizens of Boston, Brookline, Cambridge, Chelsea, Greenfield, Harding, Holyoke, Leicester, Leominster, Malden, Manchester, Medford, Milford, Newton, Orange, Palmer, Peabody, Quincy, Roxbury, Southbridge, Somerville, Salem, Waltham, Wellesley, and Webster, all in the State of Massachusetts, praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which were ordered to lie on the table.

Mr. FRELINGHUYSEN presented resolutions adopted by the city commissioners of Jersey City, N. J., praying for an increase in the salaries of postal employees, which were referred to the Committee on Post Offices and Post Roads.

He also presented resolutions adopted at a meeting of sundry citizens of Newark, N. J., praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which were ordered to lie on the table.

He also presented resolutions adopted by the Board of Agriculture of Mercer County, N. J., relative to the scarcity of labor on farms and suggesting the adoption of an agricultural draft, which were referred to the Committee on Agriculture and Forestry.

Mr. MYERS presented resolutions adopted by the directors of the Commercial Club of Great Falls, Mont., favoring a declaration of war against Bulgaria and Turkey and urging that limits of freedom of speech be defined and guarded and that violators thereof be punished, which were referred to the Committee on Foreign Relations.

Mr. KNOX presented a petition of sundry citizens of Blair County, Pa., praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which was ordered to lie on the table.



He also presented a petition of sundry citizens of Minersville, Pa., and a petition of McLean Post, No. 16, Grand Army of the Republic, Department of Pennsylvania, of Reading, Pa., praying for an increase in the pensions of veterans of the Civil War, which were referred to the Committee on Pensions.

#### IMPORTATION OF CHINESE FARMERS.

Mr. GALLINGER. Mr. President, on the 7th day of December last I introduced a resolution calling upon the Committee on Agriculture and Forestry to make a careful investigation into the advisability of recommending legislation that will permit the importation of Chinese farmers into the United States under proper restrictions and regulations during the continuance of the war. Since the introduction of that resolution I have received many letters and newspaper articles in support of the proposed legislation.

The Pasadena (Cal.) Board of Trade passed a strong resolution in favor of the proposition, which was printed in the CONGRESSIONAL RECORD under date of December 10, 1917. I now beg to submit for reference to the committee articles from the New York Evening Post and the New York Evening Sun and an editorial from the Pacific Rural Press entitled "The farmers find themselves"; also an article from the California Fruit News and a reprint from the Christian Work, being an article by Newell Dwight Hillis, D. D. From numerous communications that I have received on the subject I submit strong letters from Col. John P. Irish, of Oakland, Cal.; B. E. Schubert, of Greenwich, Conn.; and Mrs. Louise C. Maud, of Del Monte, Cal. Also three telegrams from California raisin growers of Maysville, Cal. I will ask that the telegram signed Lloyd H. Wilber and the letter of Col. Irish be printed in the RECORD and that they, with the newspaper articles, letters, and telegrams be referred to the Committee on Agriculture and Forestry.

It is stated, Mr. President, from what seems to be reliable authority, that there are now 17,200 Chinese farmers in the United States, distributed among 45 States, and so far as I know no harm has come from their employment. The urgent necessity for more labor on farms must be met in some way, and unless men are to be conscripted for the purpose some such remedy as I have proposed will have to be resorted to. It should be borne in mind that the proposition is not to import coolies, but genuine farmers, and that only during the continuance of the war, under strict regulations and restrictions. The Government is urging the farmers of the country to increase their crop acreage, but it will be utterly futile to do so unless labor can be found to harvest the crops, which at the present time is an absolute impossibility in many cases. I trust that the committee to whom the matter has been referred will give the subject early and unbiased consideration.

I submit the papers for reference to the committee.

The VICE PRESIDENT. They will be so referred, and the telegram and letter will be printed in the RECORD, at the request of the Senator from New Hampshire.

The telegram and letter referred to are as follows:

MAYSVILLE, CAL., December 19, 1917.

Senator GALLINGER,  
Washington, D. C.:

Am a large California raisin grower, hiring 100 men harvest time. Am in favor of your bill on the importation of Chinese labor. Believe California Representatives and Senators should give this bill their heartiest indorsement. Impossible to harvest crop without foreign labor.

LYDD H. WILBER, Sutter County, Cal.

OAKLAND, CAL., December 10, 1917.

Senator GALLINGER,  
Washington, D. C.

DEAR SIR: I inclose a copy of the organ of the fruit industry of this State with report of the recent fruit growers' and farmers' convention held at Sacramento. To this I invite your attention, and also to my article on the farm-labor problem in the same issue. I inclose also editorial page of the Pacific Rural Press, the pioneer and the principal agricultural journal of this West coast.

I am a farmer and foresaw last spring the certainty of loss from the shortage of farm labor, and since then have had many opportunities, at meetings all over the State, to press this matter upon the serious attention of our people.

We salute you gratefully for bringing the matter to the attention of the Government.

The States of Washington and South Dakota have joined us in the demand for Chinese farm labor as a pressing war measure.

I will be glad to supply you with any helpful information and to put you in communication with the committee that was ordered by the Sacramento convention.

Very truly,

JNO. P. IRISH.

#### HOARDING OF FOODSTUFFS.

Mr. POINDEXTER. Mr. President, there continues to be a number of complaints and very widespread attention called to cases or alleged cases of hoarding of foodstuffs for purposes of speculation. I do not know what the food-control administra-

tion is doing under section 26 of the so-called food-control act providing for a Food Administrator that was approved August 10, 1917. I have had a good many inquiries as to the origin and the authorship of that provision. There seems to be considerable confusion in regard to it. I desire to call attention to the language of that provision as applicable to the situation which is complained of, and in this connection to state that it is a provision which I framed and introduced as a bill and reported from the Judiciary Committee. I ask that that bill and the report of the committee be printed in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

A bill (S. 315) to punish the storing of foodstuffs for the purpose of cornering the market, and for other purposes.

Be it enacted, etc., That any person carrying on or employed in interstate or foreign trade in any article suitable for human food who, either in his individual capacity or as an officer, agent, or employee of a corporation, or member of a partnership, carrying on or employed in such trade, shall store any such article for the purpose of cornering the market or unreasonably affecting the market price thereof, or for the purpose of limiting the supply thereof to the public, whether temporarily or otherwise, shall be deemed guilty of a felony, and be punished by imprisonment in the penitentiary for not less than six months nor more than three years.

[S. Rept. No. 47, 65th Cong., 1st sess.]

Mr. POINDEXTER, from the Committee on the Judiciary, submitted the following report:

The Committee on the Judiciary, to which was referred the bill (S. 315) to punish the storing of foodstuffs for the purpose of cornering the market, and for other purposes, having considered the same, report it back to the Committee on the Judiciary with the recommendation that the bill be favorably reported to the Senate, with amendments as follows:

Amend the title of the bill so as to read as follows:

"A bill to punish the storing of foodstuffs and other necessities of life so as to affect the market price or limit the supply thereof, and for other purposes."

So that the bill as amended shall read as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any person carrying on or employed in commerce among the several States or with foreign nations or with or in the Territories or other possessions of the United States in any article suitable for human food, fuel, or other necessities of life, who, either in his individual capacity or as an officer, agent, or employee of a corporation, or a member of a partnership, carrying on or employed in such trade, shall store, acquire, or hold, or who shall destroy or make away with any such article for the purpose of limiting the supply thereof to the public or enhancing the market price thereof in such commerce, whether temporarily or otherwise, shall be deemed guilty of a felony and be punished by imprisonment in the penitentiary for not less than six months nor more than three years."

The subcommittee conferred with the assistant to the Attorney General, G. C. Todd, who, at the request of the subcommittee, prepared a statement upon the bill, as follows:

"Speculation in foodstuffs and other necessities of life is generally thought to be one of the contributing causes of the present abnormally high prices. The object of this bill, shortly stated, is to prevent such speculation.

"The existing law is adequate to reach combinations or agreements the purpose or effect of which is to increase prices or curtail supplies. It also reaches a single person or corporation who monopolizes or attempts to monopolize trade or commerce in an article.

"It is doubtful, however, to say the least, whether the existing law covers the case of a dealer who, on his own initiative and without combination with others, purchases produce and withholds it from the market under circumstances which justify the inference that his purpose is to enhance prices, but whose purchases and holdings, taken alone, are not sufficient in quantity to make out a case of monopolizing or attempting to monopolize. While such a course of dealing on the part of a single trader may not be sufficient to affect the market price, when pursued by a large number of dealers acting on a common impulse the effect is the same as if these dealers had entered into a combination to enhance prices."

The purpose of the present bill is to provide a certain punishment for this class of cases, to which, as stated above, the existing law is at least of doubtful application. The subcommittee is aware, of course, that there may be difficulties in the enforcement of the law and as to proof in particular cases. If, however, the acts against which the bill is aimed are wrongful, difficulties of administration should not be allowed to stand in the way of its enactment.

It may be said to be a matter of common knowledge that speculators and dealers throughout the country are taking advantage of the present economic situation, the difficulties of transportation, and the state of war in which the country now is, to extort unreasonable profits from consumers in food, fuel, and other necessities of life.

In the Washington (D. C.) Times of April 27, 1917, the following statement was published:

"A national convention of food consumers has been called to meet in Washington by J. W. Roberts, president of the National Food Consumers' Relief League of America.

"It is the announced purpose to make 'unscrupulous' dealers in food disclose their stocks, so the poor will not suffer and that those who are barely able to buy will not be mulcted.

"In his call to consumers to rally to Washington Mr. Roberts says:

"At the earnest solicitation of those who wish cheaper food I, as president of the National Food Consumers' League of America, hereby issue a call for a nation-wide convention of delegates and consumers of food products to meet in the city of Washington, D. C., at high noon on Sunday, May 13, 1917, for the purpose of devising ways and means whereby the high cost of food may be materially reduced.

"Every county in every State is entitled to five delegates; at least one should be sent.

"We are face to face with the most gigantic undertaking of the present century. No other fact is half as momentous as the one of food. Speculators and unscrupulous men have taken advantage of a condition that existed only in the mind and cornered the food, to the

hurt and detriment of the Nation. These men should be brought to terms. Millions of dollars' worth of food is hidden away in warehouses and cold storage, and other millions have been dumped into rivers in order that the high prices may be maintained, thus not only robbing those who can pay, but in this way starving many helpless women and children."

In the long period of exceeding prosperity which the country has generally enjoyed there was such abundance on all sides that the idea of actual want or shortage of the necessities of life to those who were reasonably prudent and industrious received but little attention. It is true that abuses of speculation in staple articles of food or necessary supplies of fuel were flagrant in some cases and caused much dissatisfaction in the public mind. The evil, however, was not of such vital and widespread nature as to call for the revival and strict application of the old common law against such offenses. In the days when the common law was taking its form in England the people were poorer, modes of life were simpler, and any tampering with the necessary articles of life for the purpose of pure speculation, without the rendering of any necessary service in exchange for the profits obtained, was a matter of vital concern. The offenses of "forestalling" and "engrossing" were well-defined crimes, punishable at the common law along with monopoly, cheating, and other offenses against fair trade. Some of the acts which in the ancient common law constituted forestalling and engrossing are more or less obsolete or have lost their significance, but the general tenor and purport of the common law and many of the specific acts constituting forestalling and engrossing were identical with those punishable under the present bill.

In a paper prepared by the Library of Congress the following definitions are given:

Forestalling, commonly speaking, means to market before the public, or to anticipate or prevent the public market; but, legally understood, it has a greater significance, for it comprehends all unlawful endeavors to enhance the price of any commodity, and all practices which have an apparent tendency thereto, such as spreading false rumors; buying commodities in the market before the accustomed hour; buying and selling again the same articles in the same market; and other such criminal devices. It also comprehended the offenses of regrating and ingrossing; but the names regrator or ingrosser were not known before the reign of Henry III. (3 Inst., 195, 196; 1 Hawk. P. Cor., c. 80; Brown Indict., 40; Crompt., p. 20 b.)

No attempt of this kind can be looked upon in any other light than as an offense against the public, as it apparently tends to put a check upon trade, to the general inconvenience of the people, by putting it out of their power to supply themselves with any commodity, unless at an unreasonable expense, which often proves extremely oppressive to the poorer sort, and can not but give just cause of complaint even to the richest. (Hawkins, P. C., 234.)

If a person within the realm buys any merchandise in gross and sells the same again in gross, it is an offense of this nature, for by this means the price will be enhanced, because passing through several hands each will endeavor to make his profit by it (3 Inst., 196), and if such practices were allowable a rich man might ingross into his hands a whole commodity and then sell it again at what price he should think fit, which is of such dangerous consequences that the bare ingrossing of an entire commodity, with an intent to sell it again at an unreasonable price, is an offense indictable at the common law, whether any part thereof be sold by the ingrosser or not. (Cro. Car., 231, 232; Hawk., P. C.)

But any merchant, whether he be a subject or a foreigner, bringing victuals or any other merchandise into the realm, may sell the same in gross, but the purchaser can not sell the same in gross, for then he is an ingrosser, according to the strict sense of the word, and may be indicted thereof at the common law. (3 Inst., 195; Hales, P. C., 152; resolved by all the judges, 39 and 40 Eliz.)

[Source: Illingworth, Wm. An inquiry into the laws, ancient and modern, respecting forestalling, regrating, and ingrossing. London, 1800, p. 14-15.]

Regrator. "Forestaller" is he that buyeth corne, cattell, or other merchandise whatsoever is saleable, by the way as it cometh to markets, faires, or such like places to be sold, to the intent that he may sell the same againe at a more high and deer price, in prejudice and hurt of the common wealth and people. (Termes de la Ley, Forestaller.)

"Regrator" is he that hath corn, victuals, or other things sufficient for his owne necessary need, occupation, or spending and doth nevertheless, ingrosse and buy up into his hands more corne, victuals, or other such things to the intent to sell the same againe at a higher and deerer price in faires, markets, or other such like places, whereof see the stat. 5 E. 6, c. 14, for he shall be punished as a forestaller. (Termes de la Ley, Regrator.)

[Source: Stroud, F. The Judicial Dictionary, London, 1890, p. 661.]

These offenses are particularly heinous in time of war and at a time when there is danger of a world-wide shortage of food and the possible famine of millions. Speculation and profiting by the necessities and hunger of the people in such a time can not be too severely punished. During the Revolution Washington gave vent to his indignation against forestallers and foregatherers and expressed the opinion that the penalty of death was not too extreme in such cases and under such conditions.

The present bill makes the offense a felony, punishable by imprisonment, and leaves no alternative penalty of fine or otherwise, but makes imprisonment "for not less than six months nor more than three years" mandatory upon conviction.

#### FARM CREDITS.

Mr. FLETCHER. Mr. President, I present a proposed plan signed by Mr. David Lubin for a proposal for farm credits on open account. Mr. Lubin is the American delegate to the International Institute of Agriculture, with headquarters in Rome. He has been a pioneer for a long term in agricultural relief and has given this subject a very great deal of thought. He now proposes a plan for short-term personal credit or open-account credit for the benefit of farmers. I move that the matter be referred to the Committee on Printing with a view to having it printed as a Senate document.

The VICE PRESIDENT. That action will be taken.

#### ENGLISH RAILWAY OPERATION IN WAR TIME.

Mr. HOLLIS. Mr. President, I desire to give notice that if it is agreeable to the Senate at the close of the morning business and if it will not interfere with anyone who wishes to speak on the unfinished business, I should like to address the Senate briefly, for not more than 15 or 20 minutes, on the conduct of English railways in war times.

ADDRESS BY HON. JULIUS A. COLLIER.

Mr. NELSON. Mr. President, I desire to have printed as a Senate document a short address by State Senator Julius A. Collier, of Minnesota, delivered at Jordan, in that State, November 10, 1917, presenting a strong argument why German-Americans should support the Government in this war. I ask that the matter be referred to the Committee on Printing for action.

The VICE PRESIDENT. Without objection, that action will be taken.

#### BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GALLINGER:

A bill (S. 3308) granting to American women married to foreigners the right to retain their citizenship; to the Committee on the Judiciary; and

A bill (S. 3309) providing increased pensions for honorably discharged persons in the military or naval service of the United States during the Civil War; to the Committee on Pensions.

By Mr. CHAMBERLAIN:

A bill (S. 3310) to authorize the Secretary of State to procure a suitable portrait of Gen. George Washington, and present the same to the Military College of the Argentine Republic.

Mr. CHAMBERLAIN. It was suggested that the bill should go to the Committee on Military Affairs, but I believe that is not the committee to which such bills are usually referred.

The VICE PRESIDENT. It should go to the Committee on the Library.

Mr. CHAMBERLAIN. I move that the bill be referred to the Committee on the Library.

The motion was agreed to.

By Mr. CHAMBERLAIN:

A bill (S. 3311) to increase and expedite the supply of munitions of war; to the Committee on Military Affairs.

A bill (S. 3312) for the relief of homestead entrymen or settlers enlisting or engaged in organized Red Cross service of the United States during the existing war; to the Committee on Public Lands.

A bill (S. 3313) for the relief of William J. Ewing; to the Committee on Claims.

A bill (S. 3314) granting a pension to Andrew J. Mills; to the Committee on Pensions.

By Mr. MARTIN:

A bill (S. 3315) relating to the option to purchase and to the sale and conveyance of a tract or parcel of land containing forty-six and fifty-seven one-hundredths acres, more or less, situated below and to the east of the mean high-water line of the Potomac River, in the Battery Cove, at the city of Alexandria, Virginia, made in the course of river and harbor improvements upon the submerged soil of the Potomac River; and

A bill (S. 3316) to provide chaplains for service with base hospitals (with accompanying papers); to the Committee on Military Affairs.

By Mr. DILLINGHAM:

A bill (S. 3317) providing for the removal of snow and ice from the paved sidewalks of the District of Columbia; to the Committee on the District of Columbia.

A bill (S. 3318) granting an increase of pension to Benjamin F. Morse (with accompanying papers);

A bill (S. 3319) granting a pension to Phebe D. Tate (with accompanying papers); and

A bill (S. 3320) granting an increase of pension to George M. Sawyer (with accompanying papers); to the Committee on Pensions.

By Mr. McCUMBER:

A bill (S. 3321) for the relief of John H. Fesenmeyer, alias John Wills; to the Committee on Military Affairs.

A bill (S. 3322) granting an increase of pension to Henry J. Porter (with accompanying papers); and

A bill (S. 3323) granting a pension to Mary Steele (with accompanying papers); to the Committee on Pensions.

By Mr. JONES of Washington:

A bill (S. 3324) to increase pensions of certain soldiers and sailors of the Civil War;



A bill (S. 3325) granting increased pensions to surviving widows of soldiers of the various Indian wars; and

A bill (S. 3326) granting an increase of pension to Malcolm J. McNeill (with accompanying papers); to the Committee on Pensions.

By Mr. CALDER:

A bill (S. 3327) to create a department of munitions; to the Committee on Military Affairs.

By Mr. STERLING:

A bill (S. 3328) to amend "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved August 8, 1917; to the Committee on Commerce.

A bill (S. 3329) granting an increase of pension to Edith North (with accompanying papers); to the Committee on Pensions.

By Mr. SMOOT:

A bill (S. 3330) to amend an act entitled "An act granting pensions to certain enlisted men, soldiers, and officers who served in the Civil War and the War with Mexico," approved May 11, 1912; and

A bill (S. 3331) to amend section 2 of an act entitled "An act to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891, inclusive, and for other purposes," approved March 4, 1917; to the Committee on Pensions.

By Mr. NELSON:

A bill (S. 3332) to fix the status and rank of officers on the retired list of the Army who, under the provision of the next to the last proviso of section 24 of the act of Congress approved June 3, 1916, have been employed on active duty at any time during the present war; to the Committee on Military Affairs.

By Mr. SHERMAN:

A bill (S. 3333) granting a pension to Charles Diesron; to the Committee on Pensions.

By Mr. SHAFROTH:

A bill (S. 3334) to provide for the acquisition of a site and the erection thereon of a public building at Sterling, Colo.; to the Committee on Public Buildings and Grounds.

A bill (S. 3335) granting a pension to Frank J. Windolph;

A bill (S. 3336) granting a pension to Betty Ann Perry;

A bill (S. 3337) granting an increase of pension to George O. Miller;

A bill (S. 3338) granting a pension to Lottie Brown;

A bill (S. 3339) granting a pension to Delia Bell Brooks; and

A bill (S. 3340) granting an increase of pension to John R. Bare, alias John R. Barrett; to the Committee on Pensions.

By Mr. HARDWICK:

A bill (S. 3341) for the relief of the heirs of Solomon Cohen; to the Committee on Claims.

A bill (S. 3342) granting a pension to J. A. D. Tharp; to the Committee on Pensions.

By Mr. TOWNSEND:

A bill (S. 3343) granting a pension to Wesley H. Dick (with accompanying papers); to the Committee on Pensions.

By Mr. WEEKS:

A bill (S. 3344) to prohibit the importation of nursery stock into the United States in order to prevent the introduction of insect pests and plant diseases; to the Committee on Agriculture and Forestry.

A bill (S. 3345) granting a pension to Henrietta Buswell Brown; and

A bill (S. 3346) granting a pension to Odelon Valcour; to the Committee on Pensions.

By Mr. PHELAN:

A bill (S. 3347) granting an increase of pension to Charles R. Walters (with accompanying papers); to the Committee on Pensions.

By Mr. STONE:

A bill (S. 3348) granting a pension to Peter V. Shell (with accompanying papers);

A bill (S. 3349) granting an increase of pension to James M. Widener (with accompanying paper); and

A bill (S. 3350) granting an increase of pension to William H. Isenberg (with accompanying papers); to the Committee on Pensions.

By Mr. KNOX:

A bill (S. 3351) granting an increase of pension to Thomas K. Hastings (with accompanying papers); to the Committee on Pensions.

By Mr. WATSON:

A bill (S. 3352) granting a pension to Mary M. Sharp; to the Committee on Pensions.

By Mr. KENYON:

A bill (S. 3353) granting an increase of pension to Edward Mills (with accompanying papers);

A bill (S. 3354) granting an increase of pension to James G. Hannard (with accompanying papers);

A bill (S. 3355) granting an increase of pension to Isaac Williams (with accompanying papers);

A bill (S. 3356) granting an increase of pension to Reuben H. Neff (with accompanying papers);

A bill (S. 3357) granting an increase of pension to Elijah Roberts (with accompanying papers);

A bill (S. 3358) granting an increase of pension to Rubin J. Huston (with accompanying papers); and

A bill (S. 3359) granting an increase of pension to John A. Van Loan (with accompanying papers); to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 3360) to amend section 2 of the act approved August 29, 1916, creating a Council of National Defense, and for other purposes; to the Committee on Military Affairs.

By Mr. JOHNSON of South Dakota:

A bill (S. 3361) granting an increase of pension to William W. Thurston (with accompanying papers); to the Committee on Pensions.

By Mr. CURTIS:

A bill (S. 3362) for the relief of the heirs of Thomas N. Stinson (with accompanying paper); to the Committee on Claims.

A bill (S. 3363) granting a pension to Martha E. Hart (with accompanying papers);

A bill (S. 3364) granting an increase of pension to John S. Wells (with accompanying papers);

A bill (S. 3365) granting an increase of pension to David H. Bruce (with accompanying papers);

A bill (S. 3366) granting an increase of pension to George Ketzler (with accompanying papers);

A bill (S. 3367) granting an increase of pension to John Wesley Jones (with accompanying papers);

A bill (S. 3368) granting an increase of pension to George Stamm, sr. (with accompanying papers);

A bill (S. 3369) granting an increase of pension to Lewis Phenice (with accompanying papers);

A bill (S. 3370) granting an increase of pension to Thomas B. Davis (with accompanying papers);

A bill (S. 3371) granting an increase of pension to Francis M. Wright (with accompanying papers);

A bill (S. 3372) granting a pension to Susan A. Lautzenheiser (with accompanying papers);

A bill (S. 3373) granting an increase of pension to Newton A. Mathis (with accompanying papers);

A bill (S. 3374) granting an increase of pension to George W. Allen (with accompanying papers);

A bill (S. 3375) granting an increase of pension to Abbott A. Mills (with accompanying papers);

A bill (S. 3376) granting a pension to John J. Smith (with accompanying papers);

A bill (S. 3377) granting an increase of pension to Joseph Masden (with accompanying papers); and

A bill (S. 3378) granting a pension to Sarah Cole (with accompanying papers); to the Committee on Pensions.

By Mr. KING:

A bill (S. 3379) to authorize the Secretary of the Interior to exchange public coal lands for private coal lands in certain cases;

A bill (S. 3380) to prevent the withdrawal of mineral lands of the United States from entry and occupancy under the laws of the United States;

A bill (S. 3381) for the relief of Emma Kiener; and

A bill (S. 3382) to authorize the exchange of certain lands within the Wasatch National Forest, Utah; to the Committee on Public Lands.

A bill (S. 3383) for the relief of John Gray; to the Committee on Military Affairs.

A bill (S. 3384) to amend the public-building act, approved March 4, 1913; to the Committee on Public Buildings and Grounds.

By Mr. SMITH of South Carolina:

A bill (S. 3385) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes; to the Committee on Interstate Commerce.

By Mr. JONES of Washington:

A joint resolution (S. J. Res. 119) providing for a commission to report upon legislation to meet the problems that will confront this country upon the conclusion of the war; to the Committee on Finance.

## AMENDMENTS TO APPROPRIATION BILLS.

Mr. SMOOT submitted an amendment proposing to appropriate \$20,000 for survey and investigation of an irrigation project near Newcastle, Iron County, Utah, intended to be proposed by him to the sundry civil appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. CALDER submitted an amendment providing that the rate of postage on drop letters of the first class mailed in the city of New York for delivery within the confines of that city shall be 2 cents an ounce or fraction thereof, intended to be proposed by him to the Post Office appropriation bill, which was referred to the Committee on Post Offices and Post Roads and ordered to be printed.

## CLERKS OF DISTRICT COURTS.

Mr. UNDERWOOD submitted an amendment intended to be proposed by him to the bill (S. 3079) fixing the salary of the clerks of the United States district courts; prescribing how and when they shall account for the fees collected; providing for the office expenses of such clerks, including salaries of deputy clerks and clerical assistants; and for the travel and subsistence expense of such clerks and their deputies when necessarily absent from their official residences, which was referred to the Committee on the Judiciary and ordered to be printed.

## WITHDRAWAL OF PAPERS—AMANDA B. BIRCH.

On motion of Mr. SHERMAN, it was

*Ordered*, That the papers accompanying the bill S. 647, Sixty-fifth Congress, first session, granting a pension to Amanda B. Birch, be withdrawn from the files of the Senate, no adverse report having been made thereon.

## JOINT MEETING OF THE TWO HOUSES.

The VICE PRESIDENT laid before the Senate the following concurrent resolution from the House of Representatives, which was read:

## House concurrent resolution 31.

*Resolved by the House of Representatives (the Senate concurring)*, That the two Houses of Congress assemble in the Hall of the House of Representatives on Friday, the 4th day of January, 1918, at 12 o'clock and 30 minutes in the afternoon, for the purpose of receiving such communication as the President of the United States shall be pleased to make to them.

Mr. MARTIN. I move that the Senate concur in the resolution that has just been read.

The motion was agreed to.

## HOUSE BILL AND JOINT RESOLUTION REFERRED.

H. R. 7697. An act to authorize the calling into the service of the United States the militia and other locally created armed forces in the Philippine Islands, and for other purposes, was read twice by its title and referred to the Committee on Military Affairs.

H. J. Res. 195. Joint resolution amending the act entitled "An act to provide revenue to defray war expenses, and for other purposes," approved October 3, 1917, so as to subject to the war excess-profits tax the compensation of officers and employees under the United States, including Members of Congress, was read twice by its title and referred to the Committee on Finance.

## PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Sharkey, one of his secretaries, announced that the President had approved and signed the following act and joint resolution:

On December 20, 1917:

S. 2334. An act to authorize absence by homestead settlers and entrymen, and for other purposes.

On December 26, 1917:

S. J. Res. 114. Joint resolution extending the commission provided for in the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1918, and for other purposes," approved March 3, 1917, with the same authorities, powers, and provisions until on or before March 1, 1918.

## JOINT MEETING OF THE TWO HOUSES.

The VICE PRESIDENT. The hour having arrived at which, in accordance with the concurrent resolution of the two Houses, the Senate is to proceed to the Hall of the House of Representatives, for the purpose of hearing such communication as the President of the United States may desire to make, the order will now be carried out.

Thereupon the Senate, preceded by its Sergeant at Arms and headed by the Vice President and the Secretary, proceeded to the Hall of the House of Representatives.

At 12 o'clock and 47 minutes p. m. the Senate returned to its Chamber, and the Vice President resumed the chair.

## ADDRESS BY THE PRESIDENT OF THE UNITED STATE. (H. Doc. 764).

The address of the President of the United States this day delivered at a joint session of the two Houses of Congress is as follows:

GENTLEMEN OF THE CONGRESS: I have asked the privilege of addressing you in order to report to you that on the twenty-eighth of December last, during the recess of the Congress, acting through the Secretary of War and under the authority conferred upon me by the act of Congress approved August 29, 1916, I took possession and assumed control of the railway lines of the country and the systems of water transportation under their control. This step seemed to be imperatively necessary in the interest of the public welfare, in the presence of the great tasks of war with which we are now dealing. As our own experience develops difficulties and makes it clear what they are, I have deemed it my duty to remove those difficulties wherever I have the legal power to do so. To assume control of the vast railway systems of the country is, I realize, a very great responsibility, but to fail to do so in the existing circumstances would have been a much greater. I assumed the less responsibility rather than the weightier.

I am sure that I am speaking the mind of all thoughtful Americans when I say that it is our duty as the representatives of the nation to do everything that it is necessary to do to secure the complete mobilization of the whole resources of America by as rapid and effective means as can be found. Transportation supplies all the arteries of mobilization. Unless it be under a single and unified direction, the whole process of the nation's action is embarrassed.

It was in the true spirit of America, and it was right, that we should first try to effect the necessary unification under the voluntary action of those who were in charge of the great railway properties; and we did try it. The directors of the railways responded to the need promptly and generously. The group of railway executives who were charged with the task of actual coordination and general direction performed their difficult duties with patriotic zeal and marked ability, as was to have been expected, and did, I believe, everything that it was possible for them to do in the circumstances. If I have taken the task out of their hands, it has not been because of any dereliction or failure on their part but only because there were some things which the Government can do and private management cannot. We shall continue to value most highly the advice and assistance of these gentlemen and I am sure we shall not find them withholding it.

It had become unmistakably plain that only under government administration can the entire equipment of the several systems of transportation be fully and unreservedly thrown into a common service without injurious discrimination against particular properties. Only under government administration can an absolutely unrestricted and unembarrassed common use be made of all tracks, terminals, terminal facilities and equipment of every kind. Only under that authority can new terminals be constructed and developed without regard to the requirements or limitations of particular roads. But under government administration all these things will be possible,—not instantly, but as fast as practical difficulties, which cannot be merely conjured away, give way before the new management.

The common administration will be carried out with as little disturbance of the present operating organizations and personnel of the railways as possible. Nothing will be altered or disturbed which it is not necessary to disturb. We are serving the public interest and safeguarding the public safety, but we are also regardful of the interest of those by whom these great properties are owned and glad to avail ourselves of the experience and trained ability of those who have been managing them. It is necessary that the transportation of troops and of war materials, of food and of fuel, and of everything that is necessary for the full mobilization of the energies and resources of the country, should be first considered, but it is clearly in the public interest also that the ordinary activities and the normal industrial and commercial life of the country should be interfered with and dislocated as little as possible, and the public may rest assured that the interest and convenience of the private shipper will be as carefully served and safeguarded as it is possible to serve and safeguard it in the present extraordinary circumstances.

While the present authority of the Executive suffices for all purposes of administration, and while of course all private interests must for the present give way to the public necessity, it is, I am sure you will agree with me, right and necessary that the owners and creditors of the railways, the holders of their stocks and bonds, should receive from the Government an unqualified guarantee that their properties will be maintained



throughout the period of federal control in as good repair and as complete equipment as at present, and that the several roads will receive under federal management such compensation as is equitable and just alike to their owners and to the general public. I would suggest the average net railway operating income of the three years ending June 30, 1917. I earnestly recommend that these guarantees be given by appropriate legislation, and given as promptly as circumstances permit.

I need not point out the essential justice of such guarantees and their great influence and significance as elements in the present financial and industrial situation of the country. Indeed, one of the strong arguments for assuming control of the railroads at this time is the financial argument. It is necessary that the values of railway securities should be justly and fairly protected and that the large financial operations every year necessary in connection with the maintenance, operation and development of the roads should, during the period of the war, be wisely related to the financial operations of the Government. Our first duty is, of course, to conserve the common interest and the common safety and to make certain that nothing stands in the way of the successful prosecution of the great war for liberty and justice, but it is also an obligation of public conscience and of public honor that the private interests we disturb should be kept safe from unjust injury, and it is of the utmost consequence to the Government itself that all great financial operations should be stabilized and coordinated with the financial operations of the Government. No borrowing should run athwart the borrowing of the federal treasury, and no fundamental industrial values should anywhere be unnecessarily impaired. In the hands of many thousands of small investors in the country, as well as in national banks, in insurance companies, in saving banks, in trust companies, in financial agencies of every kind, railway securities, the sum total of which runs up to some ten or eleven thousand millions, constitute a vital part of the structure of credit, and the unquestioned solidity of that structure must be maintained.

The Secretary of War and I easily agreed that, in view of the many complex interests which must be safeguarded and harmonized, as well as because of his exceptional experience and ability in this new field of governmental action, the Honorable William G. McAdoo was the right man to assume direct administrative control of this new executive task. At our request, he consented to assume the authority and duties of organizer and Director General of the new Railway Administration. He has assumed those duties and his work is in active progress.

It is probably too much to expect that even under the unified railway administration which will now be possible sufficient economies can be effected in the operation of the railways to make it possible to add to their equipment and extend their operative facilities as much as the present extraordinary demands upon their use will render desirable without resorting to the national treasury for the funds. If it is not possible, it will, of course, be necessary to resort to the Congress for grants of money for that purpose. The Secretary of the Treasury will advise with your committees with regard to this very practical aspect of the matter. For the present, I suggest only the guarantees I have indicated and such appropriations as are necessary at the outset of this task. I take the liberty of expressing the hope that the Congress may grant these promptly and ungrudgingly. We are dealing with great matters and will, I am sure, deal with them greatly.

#### ENGLISH RAILWAY OPERATION IN WAR TIME.

Mr. HOLLIS. Mr. President, I venture to address the Senate very briefly this morning on the subject of the operation of the English railways during war time. I do this because it is a matter of very lively interest now, and because I happen to have in my possession a manuscript, not yet printed, that deals with the matter authoritatively.

#### OUTLINE OF GOVERNMENT CONTROL.

By virtue of laws passed in 1871 and 1888, and under a program worked out long in advance, the railways of Great Britain came under Government control as soon as war was declared.

The machinery was set in motion August 4, 1914, by an order in council, under which Premier Asquith at once empowered the president of the board of trade to take possession of the entire railway system of England, Scotland, and Wales.

Direct control was exercised through a railway executive committee of 10, appointed by the Government from the general managers of certain important roads, one of whom was made acting chairman. The official chairman was the president of the board of trade, forming the connecting link with the English Government.

The staff of each railway remained undisturbed, receiving general directions through its regular officers from the railway executive committee.

#### INITIAL OPERATIONS.

Under detailed plans long in existence, the mobilization of the English Army and its transport to France were carried out under the president of the board of trade with great speed and efficiency. Traffic then settled down to conditions which were nearly normal for a period of about two years.

#### CRISIS IN 1916.

Meanwhile, however, the demands on the railways had largely increased, while the facilities for doing business had greatly lessened.

#### INCREASED DEMANDS.

Increased demand sprang from heavy war business, such as special troop trains; special freight trains and ambulance trains; enlarged use of coal, metals, and manufactured products; priority of shipments for Government and war supplies; and the curtailment of the usual sea transportation.

#### LESSENED FACILITIES.

Lessened facilities were due to wear and tear of rolling stock, roadbeds, and equipment, without adequate means for repair or replacement, and the enlistment of scores of thousands of the best railway men and officials.

Factories for making and repairing locomotives, cars, and rails had been diverted to the manufacture of munitions of war, while, in spite of efforts to check the enlistment of railway men after the first rush to France, about 10 per cent of the entire railway staffs had joined the colors in October, 1914. This percentage is now well over 25.

#### ENLISTMENT OF RAILWAY MEN.

The Army needs for more men, particularly for men to do railroad work overseas, have been so insistent that no effective exemption has been applied in the railway service, but recourse has been had instead to the reduction and simplification of work and to the employment of men not capable of bearing arms and of women. The employment of women as clerks, car cleaners, and the like, was natural enough, but it is startling to learn that women are now largely engaged as truckmen, machinists, and porters. There is no record that any women are employed as engineers, firemen, or section hands.

#### EMPLOYMENT OF WOMEN.

The number of women employed on English railways in July, 1914, was 15,000. It had increased to 100,000 in 1917.

#### POOLING OF CARS.

The shortage in rolling stock reached an acute stage in 1916. With most factories engaged in producing munitions, new engines and cars could not be supplied, while much equipment was on sidetracks for want of even slight repairs. Steps were taken, accordingly, to get more service out of such cars as were available.

The difficulties of pooling freight cars so that all might be constantly employed were greatly increased by the circumstance that 600,000 freight cars—about one-half the total number—were owned by private concerns. Much opposition arose to effective pooling.

Beginning, however, with cars owned by different railroads, the Government succeeded in preventing the transport of empty cars. Freight cars were kept in constant use, with little regard to their ownership by a particular railway. And, finally, in December, 1916, by order in council, the board of trade was empowered to make rules for taking possession of private freight cars for the general welfare, making necessary orders for conditions as to use and rental.

#### HANDLING OF FREIGHT.

By the same order the board was further empowered to provide for the prompt handling of freight by making it a criminal offense to fail to load or unload in accordance with the rules provided. Drastic steps had become essential in this regard. Requests and warnings were unheeded; demurrage charges had little effect.

One authority stated that "there was no shortage of railway wagons, but only of empty wagons." To meet this need it was finally provided in March, 1917, that a shipper might have two days for unloading at stations and private sidings and wharves and four days at ports. If the consignee fails to comply with this schedule, the railway may unload and store the goods at the owner's risk and expense, retaining a lien for all charges. The owner may also be fined and imprisoned for his dereliction. He has committed an offense against the defense of the realm act.

#### REDUCTION OF SERVICE.

Passenger traffic was also brought into line. Many passenger trains were canceled. Express service was slowed down. Reser-

vation of seats and compartments was discontinued. Sleeping and dining car service was curtailed. More stops of express trains were ordered. Excursion and cheap tickets were abolished. Traffic was diverted for reasons of economy. The amount of luggage was cut down, as well as service of porters and baggagemen.

#### ADVANCE IN PASSENGER RATES.

And finally, January 1, 1917, passenger rates were advanced 50 per cent, excepting traders' tickets, workmen's and zone tickets. This increase was not to raise more revenue, but to discourage travel.

The thoroughness of Government control of English railways is thus apparent. There remains to be considered the matter of wages and strikes.

#### STRIKES NOT PROHIBITED.

There is not now, nor has there been, in England legislation prohibiting strikes on railways. Matters of wages, hours of service, and conditions of labor have been left to agreements and regulations between the railway companies and the men.

#### AGREEMENT FOR CONCILIATION.

Before the pending war there was an agreement between the men and their employers that disputes should be settled by conciliation and arbitration. This agreement was secured in November, 1907, through the efforts of the board of trade. It involved about 97 per cent of the railway workers of the United Kingdom.

The conciliation boards embraced representatives of the companies and the men. In case of disagreement the question went to an arbitrator for decision. If the two sides could not agree on an arbitrator, he was to be appointed by the speaker of the House of Commons and the master of the rolls.

The agreement did not work well. There was a strike in August, 1911, involving over 200,000 men. An investigation by a royal commission followed, which culminated in certain changes incorporated in a new agreement which was in existence in August, 1914.

#### NO RECOGNITION OF UNIONS.

Unions of railway men were not formally recognized under this agreement, largely because the existing unions did not represent a majority of railway employees when the agreement was adopted. This deficiency was overcome, however, in 1914 by the National Union of Railway Men, organized in 1913 and passing the majority mark—300,000—in 1914.

In November, 1913, the unions gave notice that the agreement for conciliation would expire November 6, 1914. When the war broke out in August, 1914, negotiations were pending for a new agreement for conciliation.

#### GENERAL ATTITUDE OF UNION LABOR.

August 24, 1914, the national committees of organized labor met to discuss labor problems. It is interesting to note that their chief concern related to nonemployment, or unemployment. Resolutions were adopted calling upon the Government to help in matters of short time and benefits. These resolutions were sympathetically received, and in October, 1914, they were favorably acted upon by the cabinet through the board of trade.

#### CONCILIATION AGREEMENT CONTINUED.

On October 1, 1914, a special agreement was made between the railways and the railway men's unions, providing that the old agreement for conciliation should be continued, subject to termination by the men on six weeks' notice—that is, the trade-unions practically agreed to subordinate the interests of organized labor to the demands of a nation at war. Important demands pending when war was declared, and waived by the agreement of October 1, 1914, were:

1. The eight-hour day.
2. An advance of 5s. per week.
3. A guaranteed day and a guaranteed week, exclusive of Sunday duty.

#### FIRST AGREEMENT FOR WAR BONUS.

February 13, 1915, an agreement was reached through negotiation by the railway companies and the men's representatives, under which the principal roads agreed to pay a war bonus to men of 18 years or over, as follows: Three shillings a week to men whose standard rate of wages is under 30s. and 2s. to those whose standard rate of wages is 30s. or more. The agreement provided for all men "engaged in the manipulation of traffic," whether members of unions or not.

It was definitely understood that the war bonus was not an ordinary advance in wages, but was to terminate at the end of the war. Twenty-five per cent of the increased expense was to fall on the companies and 75 per cent be charged to operating expenses, and thus fall on the Government. For the Government had undertaken to pay to the stockholders the same sum each year as the prewar earnings in 1913.

In June, 1915, a bonus of 1s. 6d. was provided for employees under 18 years of age.

#### INCREASED COST OF LIVING.

Because of increased cost of living the war bonus has been increased several times through negotiations between the unions and the railway executive committee, with the approval of the Government.

#### SECOND GENERAL INCREASE.

On October 16, 1915, the bonus was increased for all men above 18 to 5s. per week, for men under 18 to 2s. 6d. At that time the men agreed not to make any further demand for increases. But this agreement was waived by the railway companies in September, 1916, largely upon the ground that the Government had not kept the cost of living at a reasonable figure, and a new agreement was made, increasing the bonus to 10s. per week for men 18 years and over, and to 5s. for men under 18. The president of the board of trade conceded that the cost of living had increased since July, 1914, 25 per cent in July, 1915; 30 per cent in September, 1915; 35 per cent in December, 1915; 40 per cent in March, 1916; and 45 to 50 per cent in June, 1916.

At the rate of the bonus of September, 1916, the increased cost to the Government is \$70,000,000 annually, only 6½ per cent falling upon the stockholders of the railways.

It was soon after agreed that men in railway shops should receive a bonus of 5s. a week, boys similarly employed, 2s. 6d.; women, 3s.; and girls, 1s. 6d.

#### THIRD GENERAL INCREASE.

In April, 1917, a third general increase was granted, so that the bonuses totaled as follows:

In traffic departments.		s.	d.
Men, 18 years and over.....	per week.....	15	0
Boys, under 18.....	do.....	7	6
Women, 18 years and over.....	do.....	5	6
Girls, under 18.....	do.....	3	0
In shops.			
Men, 19 years and over.....	per week.....	10	0
Boys, under 19.....	do.....	5	0
Women, 18 years and over.....	do.....	2	6
Girls, under 18.....	do.....	1	3

#### TOTAL EXPENSE TO GOVERNMENT.

The total war bonus to railway employees is estimated at present rates to amount to \$90,000,000 annually, all but 4½ per cent borne by the Government.

#### DILUTION OF LABOR.

From the beginning of the war the unions have insisted that women employed to fill the places of men should be paid the minimum rate for men in similar positions. In August, 1915, this demand was met by the railway companies, together with an agreement that the employment of women should not prejudice the reemployment of men at the close of the war nor the general question of the employment of women.

#### GENERAL ATTITUDE OF EMPLOYEES.

The unions of railway men, through their executive committees, have acted throughout the war in a patriotic and reasonable manner, basing their claims to advances in wages or bonuses on the increased cost of living, and not on their power to prevent the operation of railroads. They have realized that a strike would be a strike against the Nation, not against the companies. They have in this way obtained a very substantial advance in wages, at the same time retaining the good will of the public generally.

#### MUTUAL CONCILIATION.

There have been no railway strikes in England since the war began. The conduct of the railways and the conduct of the men has been in the public interest, with every indication of conciliation and good feeling on both sides. This desirable condition can be attributed to but one cause—that is, the feeling of the men that their sacrifices are made for the public welfare and not to swell the profits of their employers. That this is a sound deduction is plain when we consider the hundreds of strikes in private plants where profits are not controlled.

#### AUTHORITY FOR FOREGOING.

This sketch of English railways in war time is given to place the Senate and the country in possession of the main facts in the case. It represents no original research of mine. It is hardly more than a summary of one of the volumes of the British Industrial Experience During the War, presented by me to the Senate June 29, 1917, and ordered printed by the Senate September 11, 1917.

This manuscript was prepared and edited by Robert and Katherine Barrett, distinguished citizens of New Hampshire, who worked in collaboration with John F. Bass, the noted war correspondent, and his brother, Robert P. Bass, formerly governor of New Hampshire. The entire work was done without



expense to the Government. I regret that the volume has not yet been printed, so that it could be available to the Senate in the present emergency.

The volume on Railroad Transportation, which forms the basis of my remarks, was prepared by Mr. Leland Olds under the direction of Mr. W. Jett Lauck and the editors in chief.

Mr. WATSON. I should like to ask the Senator from New Hampshire a question. I was out of the Chamber a part of the time, and unfortunately I did not hear all the Senator's remarks. I should like to ask the Senator whether he incorporated in his statement the number of miles of railroad to which he has alluded and to which this system refers?

Mr. HOLLIS. I did not. I am not able to give it.

Mr. WATSON. And the number of employees.

Mr. HOLLIS. I am not able to give that, but I can state that it is approximately 600,000, of whom 100,000 are now women.

Mr. WATSON. There are 600,000 employees?

Mr. HOLLIS. There were approximately 600,000 when the war started. Twenty-five per cent of those have gone to the colors. That would leave 450,000. One hundred thousand women have been added and the rest have been taken from men who were not capable of bearing arms.

Mr. WATSON. Does the Senator know how many miles of railroad were operated?

Mr. HOLLIS. I can not give that.

Mr. NORRIS. May I ask the Senator a question before he takes his seat?

Mr. HOLLIS. I yield to the Senator from Nebraska.

Mr. NORRIS. Can the Senator state what compensation the Government of England is paying to the railroads, or what it has agreed to pay?

Mr. HOLLIS. Yes; the war bonus to employees runs from 1 shilling for girls to 15 shillings for men.

Mr. NORRIS. I heard that statement; but that is not the question. I want to know what is the compensation paid to the owners of the stock of the railroads.

Mr. HOLLIS. I stated that the owners are receiving the same earnings that they received in the year 1913.

Mr. NORRIS. They took that one year?

Mr. HOLLIS. That one year.

Mr. NORRIS. That was the last full year before the beginning of the war?

Mr. HOLLIS. Yes; that is correct.

COUNCIL OF NATIONAL DEFENSE (S. DOC. NO. 156).

The PRESIDING OFFICER (Mr. BECKHAM in the chair) laid before the Senate the following message from the President of the United States, which was read and, with the accompanying paper, referred to the Committee on Military Affairs and ordered to be printed:

*To the Senate and House of Representatives:*

In accordance with the provisions of the act of Congress approved August 29, 1916, establishing the Council of National Defense and providing for the appointment of an Advisory Commission to the council, I transmit herewith the first annual report of the council, the Advisory Commission, and the subordinate agencies of both bodies for the fiscal year ended June 30, 1917.

WOODROW WILSON.

THE WHITE HOUSE, 4 January, 1918.

CUSTOMS-COLLECTION DISTRICTS (H. DOC. NO. 753).

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Commerce and ordered to be printed:

*To the Senate and House of Representatives:*

The sundry civil act approved August 1, 1914, contained the following provision, viz:

"The President is authorized from time to time, as the exigencies of the service may require, to rearrange, by consolidation or otherwise, the several customs-collection districts and to discontinue ports of entry by abolishing the same or establishing others in their stead: *Provided*, That the whole number of customs-collection districts, ports of entry, or either of them, shall at no time be made to exceed those now established and authorized except as the same may hereafter be provided by law: *Provided further*, That hereafter the collector of customs of each customs-collection district shall be officially designated by the number of the district for which he is appointed and not by the name of the port where the headquarters are situated, and the President is authorized from time to time to change the location of the headquarters in any customs-collection district as the needs of the service may require: *And provided*

*further*, That the President shall, at the beginning of each regular session, submit to Congress a statement of all acts, if any, done hereunder and the reasons therefor."

Pursuant to the requirement of the third proviso to the said provision, I have to state that by Executive order dated January 3, 1917, the port of entry at Ludington, Michigan, in customs-collection district No. 38, of which Detroit is the headquarters port, was abolished for the reason that the volume and character of the business at Ludington did not warrant its continuance as a port.

By Executive order dated January 23, 1917, the port of entry at Corry, Pennsylvania, in customs-collection district No. 41, of which Cleveland, Ohio, is the headquarters port, was abolished for the reason that the volume of business at Corry did not warrant its continuance as a port.

By Executive order dated June 6, 1917, effective on and after July 1, 1917, the port of entry at Lubec, Maine, in customs-collection district No. 1, of which Portland is the headquarters port, was abolished as a separate port and consolidated with Eastport, Maine, for the reason that the business theretofore transacted at Lubec could as well be conducted at Eastport.

By Executive order dated September 7, 1917, effective October 1, 1917, customs-collection district No. 23, of which Laredo was the headquarters port, and district No. 25, of which Eagle Pass, Texas, was the headquarters port, were abolished and a new district No. 23 created with headquarters at San Antonio, Texas.

Districts Nos. 22, of which Galveston is the headquarters port, and No. 24, of which El Paso is the headquarters port, were enlarged. These changes were made in order to insure better administration of the customs laws and to lessen the expenses.

WOODROW WILSON.

THE WHITE HOUSE, 4 January, 1918.

COMMITTEE ON MILITARY AFFAIRS.

Mr. CHAMBERLAIN. Mr. President, I desire to ask that the Committee on Military Affairs may be allowed to sit during the sessions of the Senate. They are now engaged in holding hearings and it is quite inconvenient to proceed with these hearings without obtaining this permission from the Senate.

The PRESIDING OFFICER. Without objection, the request of the Senator from Oregon will be complied with.

Mr. GALLINGER. Mr. President, in connection with the request made by the Senator from Oregon, I am going to venture to express the hope, inasmuch as there are several committees of investigation conducting inquiries that are of great importance, that the Senate may adjourn over until Monday at the conclusion of to-day's business. Of course, if the unfinished business is to be taken up and discussed to-day, the suggested adjournment ought not to be taken, but I have been informed that the unfinished business will probably go over until Monday.

Mr. MARTIN. I am trying to find the Vice President now to test the accuracy of it, but it has been suggested that the Serbian mission are to be received in the Senate to-morrow. If that is the case, we shall have to adjourn until to-morrow.

Mr. GALLINGER. I had overlooked that fact, and hence the Senate should be in session to-morrow.

Mr. BORAH. Do I understand that a motion is about to be made to adjourn until to-morrow?

Mr. MARTIN. No motion has been made so far as I know. The leasing bill, which the Senator from Nevada [Mr. PITTMAN] has in charge, will have to be taken up by the Senate to see if anyone wants to proceed to discuss it. If the Senate is not occupied with that, I see no reason why we should not adjourn until to-morrow or until Monday if the Serbians are not to be received in the Senate to-morrow. I have just learned that there are other reasons besides receiving the Serbians for a session to-morrow, so that when the Senate adjourns it will have to adjourn until to-morrow.

Mr. BORAH. I understand we have agreed to vote upon the leasing bill on Monday. I am of the opinion that it will take all the time from now until then to get at some of the facts with reference to that bill which are developing interestingly. I certainly do not want the Senate to adjourn until at least we have started in to develop the situation.

Mr. MARTIN. There is no desire to adjourn as long as anyone wants to proceed with the leasing bill. Since I addressed the inquiry to the Chair a few moments ago I have ascertained that it has been arranged that the Serbian mission will be received in the Senate to-morrow at 12.30 o'clock. So we shall have to adjourn until the usual hour, 12 o'clock, to-morrow.

STANDARDIZATION OF WAGES.

Mr. KING. I offer a resolution and ask that it may be read and lie upon the table. I desire to submit a few remarks in support of the resolution before I move its reference to the Committee on Education and Labor.

The PRESIDING OFFICER. The resolution will be read.

The Secretary read the resolution (S. Res. 174), as follows:

Whereas the several departments, boards, agencies, and contractors having in charge the construction of ships, cantonnments, munitions, and other work having relation to the war are separately entering the labor market and are competing against each other in the wages offered for the employment of the laborers severally required by them in the prosecution of Government work, as a result of which employees are constantly quitting one branch of work to take up employment for higher wages in another, this breaking the continuity of Government construction and subjecting the same to recurring interruption with each increase of wages offered in such competition; and

Whereas the competition between departments and agencies of the Government for the employment of labor for necessary war construction has caused a condition wherein the cost of Government work is constantly mounting to the detriment of the Government, to the impairment of its revenues, and the increase of its funded debt; and Whereas it is claimed that efforts are being made and plans contemplated by some who benefit by such condition to maintain and make permanent the same, to prevent proper and legitimate increase in the output of labor to meet the present emergency, and by conspiracy and otherwise to prevent any correction of such conditions by the establishment of normal wage rates or by the procurement of other labor at fair and just wage rates to meet the needs and requirements of the Government; and

Whereas it is claimed and reported that the competition of separate agencies of the Government for the procurement and employment of labor has unsettled conditions of labor and wage rates generally throughout the country; that great inequality exists in the matter of wages in the different parts of the country in the same trade and craft; that the labor situation is demoralized; that strikes are stimulated; and that industry is being dislocated and disturbed by constantly changing wage rates, unsettled condition of employment, mounting costs, enhanced prices of commodities, and fluctuating conditions in exchange and commerce, operating together in a vicious system of recurring expansion, all of which renders unstable the industrial processes and enterprises of the country: Now therefore be it

Resolved, That the Committee on Education and Labor be, and it is hereby, directed to inquire into the subject of wages having to do directly or indirectly with Government work; to report upon the advisability of establishing standards of wages for laborers employed in such work; and to further report upon the possibility and expediency of legislation looking to the standardization of wages and the stabilization of industry and labor conditions in the country during the pendency of the war.

Mr. KING. I ask that the resolution may lie upon the table for the present.

The PRESIDING OFFICER. The resolution will lie on the table and be printed.

#### HEADS OF EXECUTIVE DEPARTMENTS.

Mr. HARDWICK. I offer a resolution, which I ask to have read and that it may go over for the present.

The PRESIDING OFFICER. The resolution will be read.

The Secretary read the resolution (S. Res. 175), as follows:

Resolved, That the President of the United States be requested to inform the Senate, if not incompatible with the public interest, by what warrant or authority of law the several heads of the executive departments hold their offices.

Mr. HARDWICK. At a later date I intend to address the Senate on the resolution. In the meantime I ask that it may lie on the table.

The PRESIDING OFFICER. For the present the resolution will lie on the table and be printed.

#### MINING OF COAL, ETC., ON THE PUBLIC DOMAIN.

Mr. PITTMAN. Mr. President, I ask unanimous consent that Senate bill 2812, the unfinished business, be laid before the Senate and proceeded with.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 2812) to encourage and promote the mining of coal, phosphate, oil, gas, potassium, and sodium on the public domain.

Mr. BORAH. Mr. President, what is the status of the measure? Is there any pending amendment before the Senate? I understood that the Senator from Utah [Mr. SMOOT] offered an amendment.

Mr. GALLINGER. I do not think there is a pending amendment.

Mr. SMOOT. I will say to the Senator from Idaho that I did offer an amendment on page 15 of the bill by striking out from line 6, beginning with the word "if," after the word "discovery," down to and including the word "claim," in line 11. I withdrew that amendment until it was decided as to just what amendment would be made in section 2 of the bill.

Mr. BORAH. Has section 2 been disposed of?

Mr. SMOOT. No; not yet. I will state to the Senator that on page 15 there was one amendment that I offered which was only a minor one, striking out the word "such," in line 2, and inserting the word "a." Of course, that was only a verbal amendment. The other amendment I withdrew until the final disposition of the amendment proposed to section 2.

Mr. BORAH. Mr. President, I should like to ask the Senator in charge of the bill if the committee amendments have all been disposed of?

Mr. PITTMAN. I think they have all been disposed of.

Mr. BORAH. Mr. President, I want to direct attention to sections 16 and 17 of the bill, rather with a view of getting an understanding as to what the committee understands those provisions to mean. Some of the provisions are a little difficult for me to understand by reason of the fact, perhaps, that I am not entirely familiar with the actual physical facts which the provisions are sought to cover. Section 16 reads:

SEC. 16. That upon relinquishment to the United States within 90 days from the date of this act or within 90 days after final denial or withdrawal of application for patent, of any claim or subdivision thereof asserted under the mining laws prior to July 3, 1910, to any unpatented oil or gas lands included in any order of withdrawal, the claimant or his successor in interest shall be entitled to a lease for each asserted mineral location of 100 acres or less or any subdivision thereof upon which such claim is based and upon which said claimant, his predecessors in interest, or those claiming through or under him, have, prior to the date of this act, drilled one or more producing oil or gas wells—

As I understand it, that provision is to the effect that the question of title may turn, and does turn, exclusively upon the fact of having drilled one or more producing oil or gas wells upon the property.

Mr. PITTMAN. And having asserted title; I mean having initiated the claim prior to the withdrawal under the act of Congress.

Mr. BORAH. What does the word "asserted" there mean? Does it mean a mere oral contention upon the part of some one, or does it mean that the party shall have complied with the laws of the land or the statutes with reference to making mineral locations?

Mr. PITTMAN. The committee thought that the words "under the mining laws" qualified the word "asserted," and meant that the claim had been located, as we say in the West, in accordance with the mining laws.

Mr. BORAH. The word "asserted," it seems to me, is a rather uncertain and wide-ranging term.

Mr. PITTMAN. I will suggest to the Senator from Idaho that the reason the word "asserted" was used was because the Department of Justice strenuously objected to the word "initiated," which had been used in other acts prior to this proposed act.

Mr. BORAH. Exactly; but if we use the word "asserted," there is no limitation, there is no definition, there is no guide as to what it really means. It is a word that has never been used in the mining laws; there is no precedent for it. I can understand a man sitting in a well-furnished and properly heated room thousands of miles away and asserting that he has a mining claim or a location in Wyoming; and I think he would be perfectly safe under this law in not going any further than to merely assert that he has a mining claim.

I think the use of that word is unfortunate, because it leaves room for all kinds of latitudinous construction. However, I call attention to the further fact—

the claimant or his successor in interest shall be entitled to a lease for each asserted mineral location of 160 acres or less or any subdivision thereof upon which such claim is based and upon which said claimant, his predecessors in interest, or those claiming through or under him, have, prior to the date of this act, drilled one or more producing oil or gas wells—

There is no limitation upon the amount of land which the party may claim, provided he has asserted title to it and has followed it up by drilling a well.

Mr. SMITH of Arizona. Mr. President, will the Senator from Idaho permit an interruption?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Arizona?

Mr. BORAH. I yield.

Mr. SMITH of Arizona. I desire to ask a question for my own guidance. Like the Senator from Idaho, I do not like that language; I do not know why, but I can not get at the exact meaning of the word; but does it not mean in the ultimate that anybody asserting a claim—and that is done by merely saying "I have a claim"—no matter if he got it, as they originally have in many of these cases from gentlemen who are in the meat business in Chicago—a dummy entry—if on any 160 acres of land, the Standard Oil Co. or any other company, or you or I, have actually drilled a well and found oil, no matter how fraudulent the inception of our claim was, if we assert we have it and have found oil we get title under this bill?

Mr. BORAH. I think that is true.

Mr. SMITH of Arizona. And it ought not to be.

Mr. BORAH. I think that is probably the construction of the language.

Mr. President, suppose we should find this condition of affairs to have existed in the oil regions of Wyoming: Suppose that it should be shown upon the facts that independent locators had gone into that territory, had located oil wells, and had initiated such proceedings as were required by law in order to finally ripen their claim into a title, and that thereafter other people



had come in and had forcibly driven them out, or had through legal processes stayed their proceedings and stopped their work, and had themselves actually taken physical possession and drilled wells upon that territory, then we would adjudicate the title in favor of the jumper, adjudicate the title in favor of the ones who had defied the law as against the man who had in good faith initiated his title. As I understand the situation, that is the state of facts that exists in Wyoming; and I ask the Senator in charge of the bill to consider the proposition that with the broad language of the mere assertion of title, the physical possession, and the sinking of a well, a party may acquire an unlimited amount of acreage by mere physical force or by fraud. I am sure the Senator in charge of the bill does not intend anything of that kind, but I can see no other construction to it.

I want also to say, Mr. President, that I am reliably informed that this particular section was drawn to cover a particular condition of affairs. The physical facts are about as I have stated them.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Nevada?

Mr. BORAH. I yield to the Senator.

Mr. PITTMAN. I do not know whether the Senator means to intimate that this was drawn for the purpose of aiding any particular person in any contest.

Mr. BORAH. No; what I mean to say is that there is a certain state of facts existing, a certain physical condition obtaining, and that it was an effort to cover that physical condition; in other words, that the committee were not drawing a general law but were drawing a law which was proposed to apply to a particular state of facts. That is what I understand.

Mr. PITTMAN. Mr. President, in order that there may be no mistake about the particular state of facts, and that it may be clear that this proposed law has nothing to do with the state of facts to which the Senator has referred in Wyoming, I want to say that the state of facts is this: If we refer to a location of a mining claim as a foundation of this preferential right, then there must be a discovery, for, as the Senator from Idaho knows—and it is not necessary for me to refer to it—a discovery is essential to a valid mining location. There were very few discoveries made prior to the withdrawals; but believing that the first withdrawal was void and contrary to law, and being so advised by their attorneys, a great many people continued to sink oil wells. They had initiated a right by location, as we understand it in the West, and we have been using the term "initiated" all along; but, unfortunately, the Department of Justice in the prosecution of a number of cases has construed the word "initiated" to embrace discovery.

Then they held—and I think some of the lower courts have held with them—that a right is not initiated to a mining claim until discovery is made. Consequently, if we use the word "initiated" in the sense used by the Department of Justice, there will be no remedy to anyone, no matter how just his cause may be. That is the reason we tried to get away from the word "initiated."

What we really mean is this: If one in good faith has located a mining claim prior to the withdrawal under the congressional act of July 3, 1910, has done everything except make a discovery, and then, subsequent to the withdrawal, proceeded, undisturbed by the Government, and found oil, then that person will not have the land, but upon surrendering all claim of title will have a preference right to lease under the terms of the bill. That is what we mean.

Mr. BORAH. Well, Mr. President, I did not mean to be understood as intimating that the Senator or any member of the committee was seeking to draw a bill for the purpose of doing an injustice to anyone. What I meant to say, and what I did say, was that, as I understand, sections 16 and 17 were put into this bill by reason of a certain state of physical facts which exist in the Western States, and in Wyoming particularly, and that it was supposed, of course, that they were covering a situation in justice to all parties. What I am contending is that, instead of covering it in justice to all parties, it is calculated to work a great injustice, and I think that the use of the word "asserted," a term unknown to the mining laws of the country, without limitation or any established definition in the courts, is unfortunate. I suggest, in view of the fact that the Senator from Colorado [Mr. SHAFROTH] has come in, who is very familiar with the mining laws and conditions in the West, that if we leave in the word "asserted" and leave in the provision with reference to drilling, to wit, "drilled one or more producing oil or gas wells," we will leave the law in such condition that anyone who has made a mere naked, general assertion to a claim, whether it be bona fide, whether it has been in compliance with the law,

whether it has been according to established precedents in initiating mining claims, or whether it be anything else than a mere naked, general assertion, and has followed it up by the drilling of a well, regardless of how he got upon the land, whether it was through ousting some one else or by force and fraud, will be given a preference right to an unlimited amount of acreage. There is no other construction to be placed upon it.

Mr. SHAFROTH. Mr. President, I should like to ask the Senator to what page and line of the bill he refers?

Mr. BORAH. I was dealing with section 16 and referring particularly to that portion of it which begins in line 17. I will read the entire section again:

Sec. 16. That upon relinquishment to the United States within 90 days from the date of this act or within 90 days after final denial or withdrawal of application for patent, of any claim or subdivision thereof asserted under the mining laws prior to July 3, 1910, to any unpatented oil or gas lands included in any order of withdrawal, the claimant or his successor in interest shall be entitled to a lease for each asserted mineral location—

I venture to say that the Senator never, in all his wide range of experience in the West, has heard that word used in connection with acquiring title to the public domain.

Mr. SHAFROTH. I will state to the Senator that I am not familiar with that provision. It was not part of the amendment which I offered.

Mr. BORAH. I know that.

Mr. SHAFROTH. I offered an amendment with relation to coal lands. We considered this provision, however, and I do not know that the phraseology was criticized at that time.

Mr. BORAH. Then it goes on to say—

for each asserted mineral location of 160 acres or less or any subdivision thereof upon which such claim is based and upon which said claimant, his predecessors in interest, or those claiming through or under him, have, prior to the date of this act, drilled one or more producing oil or gas wells, such lease to be upon a royalty—

And so forth.

There is no limit, I maintain, to the amount of acreage to which he is entitled in the way of preference if he has succeeded in getting upon the ground and sinking a well.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER (Mr. HOLLIS in the chair). Does the Senator from Idaho yield to the Senator from Nevada?

Mr. BORAH. I yield.

Mr. PITTMAN. All of this land is withdrawn land; none of it is subject to location now.

Mr. BORAH. I understand that.

Mr. PITTMAN. All of it, if it is utilized at all, must be utilized under the provisions of this bill. It will be leased to somebody. The committee thought that it was not only in the interest of the Government to lease it to the man who actually had a well on it and was operating it, but that a man who had expended the amount of money necessary to test the ground and see if there was oil there was entitled to a lease in preference to somebody who had spent nothing. That was the theory the committee had.

Mr. BORAH. Ordinarily that would be true; but, as I understand the facts, Mr. President, they are something like these, that a number of independent locators went into the territory prior to the withdrawal orders on the part of ex-President Taft; that they had made locations; that is, they had done what was necessary to be done in compliance with the mineral laws up to that time; that when the withdrawal came along they in a certain sense respected the withdrawal; that, on the other hand, another company, entirely disrespecting and disregarding the withdrawal, entered upon this territory, took possession of it under actions of injunction and otherwise, obtained actual physical possession, ousted the independent oil locators who had done their part in so far as they could, sunk wells, and that the effect of this bill is to give them the preference right to that which they had acquired in defiance of the notice of the Government—because I do not contend that it was actually a valid withdrawal—and under the cover of the right which they secured for a time under temporary injunctions and also in some instances by actual force.

Mr. PITTMAN. Mr. President, the Senator is mistaken about that. If he will continue reading the following section will correct his error.

Mr. BORAH. Am I mistaken as to the facts which I have stated?

Mr. PITTMAN. I think so. Let me see if the Senator is mistaken; I hope he is. Listen to this language:

And any person who at the time of any withdrawal order heretofore made was such bona fide occupant or claimant of oil or gas bearing lands within such withdrawn area, other than lands reserved for the use of the Navy, and who has performed all acts necessary to a valid mining location thereof, except to make a discovery, if the claim was initiated within less than five years prior to the withdrawal, and such claimant had performed a reasonable amount of work preparatory and essential to the sinking of a well or wells, and who because of and in

obedience to such order desisted from the prosecution of work for the development of such claim, shall have a preference right to lease the same under the provisions of this act.

Mr. BORAH. Mr. President, that would be all right if it were not for the fact that this five years just about divides the line between those who got in afterwards and the fellows who got in first.

Mr. PITTMAN. Then, as I understand, the only objection the Senator has is to the five-year period.

Mr. BORAH. No. I think myself that there could be a provision put in there which would remedy the situation; but I will tell the Senator what I object to. I feel certain that the Senator would have the same opinion if he understood the facts as I understand them. I may be in error about the facts, but I object to the Congress legislating out men who went there in good faith and respected the notice of the Government; and who were afterwards ousted in one way or another, and legislating in those who went there in violation of the Government's notice, who have taken possession either by writs of injunction or otherwise, and who have actually ousted those who went there in the first instance in good faith.

Mr. PITTMAN. Mr. President, the committee has exactly the same view as the Senator from Idaho, and it attempted in the section I have just read to give a preference right to those who obeyed the order, whether it was legal or not.

As to the five years, the committee thought there ought to be some time fixed within which there should be a location made. In other words, the Senator from Idaho would not want some one to come in and say: "Fifty years ago I made a location on this tract of land, and I did \$100 worth of work every year." Fifty years is carrying it back too far. Thirty years is carrying it back too far. It ought to be within a time when people would know the facts or could ascertain the facts.

We took up this matter with some of the gentlemen from Wyoming, because we wanted to get at that fact. We first agreed that three years would include all bona fide claims that were located in that withdrawn area prior to the withdrawal of 1909. It developed later on that possibly it did not include all. Consequently, on the floor here the other day, we accepted an amendment making it five years instead of three years.

There is not any disposition to foreclose bona fide locators who obeyed the law, whether that law is legal or not. That is what the committee has tried to do, and there is no doubt in my mind that this bill does give a prior right to the very people the Senator from Idaho is discussing, provided their locations were initiated within five years prior to 1910. If that time is not long enough, if Senators have facts to show that there are bona fide locations that were made more than five years before, of course that is another question.

Mr. BORAH. I can only say that I have this state of facts: I have facts given to me by men who live there, who are upon the ground, and who are claiming to be entirely familiar with all the facts with reference to the development of these oil fields in Wyoming.

Mr. PITTMAN. How many years does the Senator think would be sufficient to cover it?

Mr. BORAH. I would not want to say without further consultation with those parties.

Mr. PITTMAN. I have no doubt that if the parties with whom the Senator has talked have an idea that this limitation does not include all of them, the committee would be very glad to accept any amendment of that kind. It certainly thought that the five years would cover every case.

Mr. BORAH. The Senator understands that I am not attacking the committee. I assumed that the committee was trying to get at the same thing that I wish.

Mr. PITTMAN. Exactly; the committee was trying to do that.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. SMOOT. I do not think the length of time is of so much importance in this measure as the effect that section 16 will have upon the oil lands in Wyoming; nor is the time altogether a remedy for the evils that will follow the passage of this bill, if I am correctly informed as to conditions in Wyoming. In other words, if section 16 passes as it is now written, the Standard Oil Co. will control at least four-fifths of all the oil in Wyoming, or at least 20,000 acres of oil land in that State. That does not come from the five-year or the three-year limit. It comes from the fact that the restrictions of section 33 are not applicable to the persons whose titles are validated under this section.

In other words, in section 33 of the bill we undertake to place certain restrictions upon validating title to any person making the entry, but that section does not apply to section 16

of the bill, and therefore all of the asserted mining locations made under this section, providing the parties have drilled wells, go to the parties who assert a claim to the lands, no matter how many acres so located or, in other words, there is no limit of area provided for. That being the case, I am informed by men who live in Wyoming and have been in the oil fields from the very beginning, and own claims there now themselves, that if section 16 passes as it is written the Standard Oil Co. can operate four-fifths of all the oil lands in Wyoming.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator yield?

Mr. SMOOT. The Senator from Idaho yielded to me.

Mr. BORAH. I yield.

Mr. PITTMAN. I have received what is called a brief on this bill, written by some lawyer in Oklahoma, which states the facts that the Senator from Utah has just stated. I do not know who this lawyer is or where he got his facts, and I do not take for granted statements of that kind or character.

Mr. SMOOT. If the Senator wishes, I can put into the RECORD a dozen letters from men who live in Wyoming.

Mr. PITTMAN. I want to state that I realize that there is litigation going on in Wyoming over oil claims. There is similar litigation in California; and this committee for four years has been trying, as the Senator from Utah knows, to get a bill that will satisfy everybody. I do not think it is possible. Nobody in my State is interested in this remedial legislation, and personally I very often feel tempted to fight against any remedial legislation, and strike it all out, and let it go to the courts; but we ought to try to do something fundamentally just, and that is what this committee is trying to do.

Mr. BORAH. The Senator from Nevada has made a suggestion that appeals very much and very strongly to me. I will say to the Senator that I received a brief on this subject, I presume the one to which he refers, since I came into the Senate Chamber; but the gentlemen from whom I received my facts are residents of the State of Wyoming, and I have every reason to believe that they are entirely responsible in what they say. If I were called upon, however, to draw and insert in this bill a provision which would do justice to all parties and not do injustice to any one, I could not do it upon the state of facts that has been given to me. I could only approximate it, perhaps. The only way to settle these controversies is by the institutions and tribunals which are created for that purpose, where the bona fides and the good faith of these parties can be determined.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Nevada?

Mr. BORAH. I yield.

Mr. PITTMAN. Unfortunately that can not be done always by the courts. The courts have recognized time and again, in deciding against claimants, that they had a moral equity but no legal equity. They have held that these men, being advised by their attorneys that the Taft withdrawal order was void and that the lower courts had sustained that opinion, might be expected, as sensible men of good judgment, to go ahead and spend all this money in the development of oil lands, but that as a matter of fact, not having made a discovery before the Taft withdrawal, although they had commenced work prior to that time, their claims were void because a discovery was necessary before the withdrawal.

Those men, the courts themselves have stated, have some excuse. Why, I am satisfied that such an able attorney as the Senator from Idaho possibly has advised his clients, or at least his friends, that in his opinion the order was void.

Mr. BORAH. I have so stated on the floor of the Senate.

Mr. PITTMAN. I know it was the consensus of opinion of the ablest mining attorneys throughout the western country. On the faith of that opinion men expended their money. They discovered oil that was not known to exist before. They enriched this whole country at their individual expense, and yet legally they have no rights at all. They are out. Now, the Government is probably going to decide on a leasing policy. If it does decide on a leasing policy the question is, If you are going to lease to A or to B on the same terms, and B has discovered the very thing you are going to lease and has expended hundreds of thousands of dollars in discovering it, is it not justice in some way to compensate that man for that work?

That is the equitable idea involved in the whole matter. I realize that there is a whole lot of trouble involved in this remedial legislation, and I very frequently feel, as does the Senator from Idaho, like giving up trying to do justice in regard to passed acts and simply passing a law for the future.

Mr. SMOOT. Mr. President, I will ask the Senator from Idaho if I may ask the Senator from Nevada a question?

Mr. BORAH. Yes; I am seeking light.



Mr. SMOOT. I will ask the Senator from Nevada if the wording of section 16 is not virtually the wording that was agreed to by the committee when the question of relief for the California oil industry was under consideration—that is, the locations that were made in naval reserve No. 2?

Mr. PITTMAN. I think that matter was the matter under discussion at the time that wording was adopted. I admit that the committee has had very little discussion with regard to the Wyoming situation. In fact, I know nothing about it.

Mr. SMOOT. Mr. President, if the Senator from Idaho will excuse me—

Mr. BORAH. Certainly.

Mr. SMOOT. I understand that section 16 provides the relief the California people desired; it covers their case exactly; every locator stands upon the same basis. But, unfortunately, the oil people of Wyoming feel that the wording of this section will be a death blow to many of the locators of oil claims in that State; not that individual locators in Wyoming will receive a lease under this section, but they will have to depend upon the Standard Oil Co. for the refining of their product. The information that comes to me may be wrong, but, as I state, I have received at least a dozen letters, and I think more, from citizens of Wyoming, men whom I know, men who have located oil claims, who have lived in Wyoming, who have worked the oil fields of Wyoming, who are interested in Wyoming and in the development of the oil in the State, and they tell me that the statement I have made in relation to the effect of section 16 is correct. Personally I do not know whether it is or not; but I do know that if such were the case the Senator from Nevada would want an amendment to section 16 that would prevent it. I know him well enough to know that.

Mr. PITTMAN. With the courtesy of the Senator from Idaho, I will state that there is no question about that, so far as I am concerned, or any other member of the committee.

Mr. SMITH of Arizona. Mr. President, if the Senator will permit a suggestion, I do not know the facts well enough to cast an intelligent vote on this bill. Like the Senator from Idaho, I am seeking light. While I am a member of the Committee on Public Lands, my duties at the time this particular measure was before it held me elsewhere.

If it is true that the condition in those segregated lands known as the naval reserve in California, about which all of us heard so much before the committee, is so different from the condition in Wyoming, I wonder if it would not be possible to let section 16, if that meets the California conditions perfectly, apply to the California conditions, and see if out of the real facts surrounding the Wyoming situation we may not, in the discussion of this bill, develop such facts as to make the law apply satisfactorily to those people?

As the Senator says—I have no hesitation in referring to anything written to me—I have one letter from Cheyenne, Wyo., signed by Mr. Robert G. Porter, secretary of the Rocky Mountain Division of the Roxana Petroleum Co. of Oklahoma, in which he says that this provision hands over absolutely to the Standard Oil Co. the greater proportion of the oil fields of Wyoming. I do not know anything about it. I know that no member of the Committee on Public Lands wants to hand over to the Standard Oil Co. anything except what it deserves. If it does not deserve it, no member of the committee would think for a moment of permitting this bill to have that effect.

I was only suggesting here to those better acquainted with the facts than I am whether we might not meet the California situation with section 16, if it fits it, and if the Wyoming situation is so entirely different, whether we might not apply a proper remedy to the conditions in Wyoming.

Mr. SMOOT. Mr. President, I should like to say to the Senator that Arizona needs as much relief as California does. I will say to the Senator from Nevada that I received this morning a letter from Wyoming, stating that a committee is on the way, and expects to be here to-morrow, to present the Wyoming oil locators' side of this controversy. I judge from the letter that they have suggestions to offer so as to cover the Wyoming situation. As the bill will not pass until Monday, anyhow, I certainly shall take time, if they come to my office, to listen to what they have to say as to suggested amendments to this section.

Mr. PITTMAN. Mr. President, I think this committee for four years has sought light. We have had about 25 or 30 hearings during that time on this subject. The doors have always been open. This is about the fourth bill we have had. We have had remedial legislation in all of them. I am always willing to listen, as the Senator from Utah is, and I will listen again; and while I have received some protests against this, so far as Wyoming is concerned, I have received no suggestions as to amendments from any of the Wyoming people. I do know that

there are two sides to the thing in Wyoming, as there are everywhere else. In fact, there were some people who came here and wanted us to put in the bill the decision of one of the lower courts, and say that that should be the law, to avoid the necessity of an appeal. I might say that that did not appeal to any member of the committee. It was not even suggested.

Mr. SMITH of Arizona. But I think the letter I have received might give the Senator some light, for it closes by saying:

In view of these facts—

That is, that the Standard Oil Co. was going to get all the valuable oil lands in Wyoming—

In view of these facts, which this company is ready to substantiate, I urge you to support such amendment of the bill as will give non-Standard Oil companies an even chance, and, failing in having such an amendment passed, to oppose the passage of the bill.

Mr. PITTMAN. Has the Senator from Arizona an amendment with him that will give non-Standard Oil companies an equal chance?

Mr. SMITH of Arizona. That was all the suggestion made to me. They did not suggest what amendment should be made.

Mr. BORAH. Of course these people assumed that we, being here in the business of legislation, know the kind of an amendment that will give them relief.

Mr. PITTMAN. There are very few special pleaders here.

Mr. BORAH. Mr. President, I want to say to the Senator in charge of the bill that if the statement of facts which has been given to me this morning by residents of Wyoming—men who are here now and ready to be heard and anxious to be heard, and will have their amendments ready as soon as they can have time to present them to some one who may see fit to present them here—if the state of facts which they have given to me is correct, we are legislating out a great number of bona fide locators, and it so happens that those men whom we are legislating out are non-Standard Oil men. If, on the other hand, the bill goes through as it is, it will give peculiar and particular protection to the Midwest Refining Co., which, as I am informed, is a subsidiary of the Standard Oil Co., and will protect their property without any further litigation at all.

I need not say that I know that if the committee had those facts the committee would not indorse this measure. I think it is up to us to get those facts and have them here before we pass the bill. The men are here on the ground ready to give the facts, and I would be greatly disappointed if they did not give the facts in such a way as to impress those in charge of the bill that there should be a radical amendment to sections 16 and 17 and also section 89.

Mr. PITTMAN. I should like to ask the Senator from Idaho if he has any suggestion to make with regard to amending the paragraph that I read, giving priority to bona fide locators prior to withdrawal who had desisted from further work during the withdrawal by reason of such withdrawal?

Mr. BORAH. On page 15?

Mr. PITTMAN. On page 15. Have you any suggestion to make as to an amendment to that proviso, which was intended to take care of what the Senator now has in mind?

Mr. BORAH. The only suggestion I have to make at the present time in regard to it, as I carry the facts given to me, is as to the term of years. I would not want to commit myself, because I am proceeding upon a state of facts given to me within the last two hours and I am of the opinion that that could be remedied by a change of the year.

Mr. PITTMAN. That was the object of that provision. It was to protect bona fide locators who made their locations prior to the withdrawal of 1909, but who made no discovery, and who desisted from work leading to a discovery by reason of such order. It was intended to protect the very class of locators the Senator has in mind. As I said, five years was put on here in the Senate the other day. The Senator from Pennsylvania [Mr. PENROSE] offered the amendment for five years after talking with Mr. Mitchell, one of the Wyoming locators, who is complaining that he may lose rights under section 15. I assumed the matter was in a shape satisfactory to him.

Mr. BORAH. Mr. President, I could not suggest the actual number of years at this time, but I will be able to do so before the bill is taken up to-morrow morning. I frankly concede that I am proceeding upon a state of facts which I have not had time to investigate thoroughly or to master thoroughly, but I thought it worth while to call it to the attention of the Senator, and I shall later undertake to give the facts as they were related to me by this committee.

Mr. SMOOT. I wish to ask the Senator from California [Mr. PHILAN] a question. He has entered the Chamber. Do I understand that the Senator from California desires a reconsideration of the amendment in section 16, which struck out,

on line 15, the words "or within naval petroleum reserve No. 2," and on page 13, beginning with line 15, "Provided further," and also the next proviso down to and including the word "Wyoming," in line 24? I will say to the Senator those were the amendments offered by the Senator from Virginia [Mr. SWANSON].

Mr. PHELAN. I have no reason for any change of the view that I expressed prior to the recess, that whereas I was opposed to the elimination of those words which would bar the owners in naval reserve No. 2 from the benefit of the act, still it seemed to be conceded by all interested in the passage of a bill for the development of the resources outside of the naval reserve that they could afford to wait, and the Senator from Virginia [Mr. SWANSON], who is not present, promised at the beginning of this session to propose his amendment. I do not believe he has prepared his amendment. I spoke to him yesterday. When he proposes the amendment, I think it is going to take the form of a separate bill, and that would be a wise and proper time for me to express my views on behalf of those who are interested in the State of California. But as the bill stands now amended, with the elimination of those provisions, I am ready to support it. There is no opposition from California. They only want a larger area included, so far as I understand the situation.

Mr. SMOOT. The only reason why I asked the Senator the question was this, that the provisions of section 16 were written to take care of the oil locations in naval reserve No. 2 in California. The wording of it was drawn in such a way that it covered all such cases. The provision affecting naval reserve No. 2 is stricken out, and the only question in my mind now is whether the wording of section 16 will cover the Wyoming locations. Many locators are fearful it will not. That is why I asked the Senator the question as to what attitude he was going to take in relation to this amendment.

Mr. PHELAN. The Senator from Nevada [Mr. PITTMAN] is in charge of the bill and can answer the question.

Mr. PITTMAN. Mr. President, section 16 does not relate wholly to naval reserve No. 2, and never did relate wholly to naval reserve No. 2. It related to all withdrawn land, and there are ten times as many withdrawn lands in California outside of the naval reserve as there are inside of the naval reserve.

Mr. SMOOT. The Senator misunderstood me or else I made a statement I should not have made. What I intended to say was that the wording of section 16 was peculiarly fitted to the oil location in naval reserve No. 2, located in California. In other words, the California people who were interested in procuring relief legislation drew section 16 as it is now worded with a view of taking care of those who had locations within that reserve. Now, the Wyoming fields are somewhat different, so I am informed by the men who made the locations in those fields, and the wording of section 16 does not bring the relief to them that they desire.

Mr. PITTMAN. The wording of the section is not peculiar to naval reserve No. 2 or any other reserve. It was not even peculiar to California. Let me explain. Oil claims have heretofore been acquired under the placer mining act. Locators would mark out the boundaries on the surface of the ground and then sink a well until they discovered oil. It generally took them several months after the claim was located on the ground before they discovered oil. It was not a valid location until they did discover oil. There was a period of several months between the time the claim was marked on the ground and the time they discovered oil.

Now, what happened? Prior to 1909, under the mining act, men who located placer-mining claims in California commenced to sink for oil. President Taft, by the advice of the Department of the Interior, issued an order withdrawing all those lands from prospecting and location under the placer-mining act. Now, what position did that leave those locators in? It left them in a position where they had lawfully commenced work prior to withdrawal and they were lawfully working at the time of the withdrawal, but after the withdrawal, not having yet made a discovery, although they may have expended \$50,000 in their work, all their work was for naught, and their right terminated.

Now, what was the result? They questioned the right of the President of the United States to dispose of the public lands without authority of Congress. As I said before, the ablest attorneys of this country gave it as their opinion that the President had no such power. In fact, the lower courts in deciding the question decided that the President had no such power. Then after those decisions and upon the advice of those able attorneys, and upon the advice given publicly on the floor of this body by Senators of the United States, they continued their

work. Some of them have expended as high as \$3,000,000, the testimony before the Public Lands Committee shows, on that character of land. But that character of land is not embraced in this oil naval reserve alone. Cases of that character existed all over California and all over Wyoming. I have been informed. That is what I mean when I say that the section is not peculiar to the naval reserve; it is only peculiar to that state of facts.

What was the result? The result was that the Pickett Act came on in 1910 to remedy that very condition, and the Pickett Act said what? It said that notwithstanding the withdrawal of Mr. Taft any association of persons who were actually developing oil claims at the time the act was passed should have a right to continue that development, and when they struck oil they might get not a preferential lease but that they would receive a patent to every 160 acres that they got oil upon, no matter how many of such tracts they had so located and developed. That was the mature, deliberate act of Congress in 1910. Congress did that because it felt that these oil prospectors had been done an injustice by Mr. Taft in the withdrawal order.

Then, why has not the Pickett Act satisfied conditions? Here is the reason: Because the Department of Justice in its efforts to take these oil lands away from the men who had discovered the oil has forced on the lower courts a construction of that act which takes out of it all the remedy that Congress intended to give them.

Now, how did they do it? They did it in this way: The act states that the work shall be prosecuted with due diligence to discovery. What did they hold "due diligence" to mean? They held that due diligence was practically continuous work without regard to the conditions that might surround such work. They went so far as to hold that.

Mr. BORAH. What court held that? The lower court? It never went up?

Mr. PITTMAN. No; the lower court held it. I am talking about the lower court. I am glad that the circuit court of appeals has reversed all that the lower court held in construing due diligence to mean continuous work. That is practically what they held. Not only that, but they went further. The court held, under the instruction of the Department of Justice, that the work had to be actual drilling work; that if a man was not actually drilling for oil on the day the act was passed he did not come under the remedy.

They went further than that. They held that he might be laying a water line for many miles to bring in the water that was essential to drilling operations, and yet such act on his part would not constitute due diligence in the prosecution of that work leading to a discovery. In other words, the Department of Justice so construed the Pickett Act as to take out of it any and all remedies, and the lower court sustained it.

Now, then, what was the result? We start in to pass an act that will open up the 8,000,000 acres of oil lands in this country and the 44,000,000 acres of coal lands.

Mr. TOWNSEND. May I ask the Senator a question?

Mr. PITTMAN. Certainly.

Mr. TOWNSEND. Was not the case the Senator refers to appealed? Has not the superior court passed upon that very proposition?

Mr. PITTMAN. It has in another case. In the case I have in mind it has not, but it has passed on the same question in two other cases that went up from naval reserve No. 2. There the circuit court of appeals reversed the lower court and discharged the receiver. It set aside the strict construction that was put on it by the Department of Justice and by the lower court and gave it a reasonable, intelligent construction, such as was intended by Congress.

But we found ourselves in this position: We were ready to legislate with regard to these withdrawn areas. We were going to go in and do it by a leasing bill. We were going to lease some of this very land that somebody else had developed and which subsequent acts of Congress have attempted to grant to them. It was urged before the committee that it would be unfair to lease to an absolute stranger a piece of land that some one else in good faith had demonstrated to be oil land at the expense of many thousands of dollars. The committee took that view of it. The chaotic condition that existed with regard to all this development, the doubt with regard to Mr. Taft's power to make the withdrawals, the second authorization by Congress in 1910, the passage of the Pickett Act in 1910, attempting absolutely to exclude the men who were prospectors there from the operation of the withdrawal, the action of the court in setting aside the pure intent of Congress led our committee to say that in leasing this land we should give a preference right to the man who in good faith had asserted the



right under the mining laws of the United States prior to the withdrawal and who had continued until he got oil.

Mr. KELLOGG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Minnesota?

Mr. PITTMAN. I do.

Mr. KELLOGG. I understand it to be the fact, and I would like to have the Senator correct me if it is not, that the Supreme Court of the United States afterwards held that the President had an implied power to withdraw the land.

Mr. PITTMAN. That is correct.

Mr. KELLOGG. That question is settled?

Mr. PITTMAN. That is settled.

Mr. KELLOGG. But the court has not passed yet upon the right of claimants who in good faith prosecuted their claims and performed work prior to the withdrawal except in the cases under the Pickett Act in California? Is that correct?

Mr. PITTMAN. Yes; that is, under the Pickett Act. That situation, as I said, led the committee to diverge from its main purpose, which was to pass an act to open up coal and oil lands that had been withdrawn. It was hard to resist the appeals of hundreds of men who had put everything on earth they had in the development of these oil lands when by the passage of this act, without remedy, they would be ruined.

Mr. BORAH. The Senator is describing a condition which is sought to be remedied, but, as I said a few moments ago, my opinion is that a state of facts exists which the bill as drawn does not include—that of the men who went there in good faith and expended their means while some others came in who had not expended their means in the development of this territory. In other words, the pioneer in these oil fields is not being protected under this bill sufficiently. Now, the man who is being protected is the man who came after the pioneer had been discouraged and who, with his assistants, got the pioneer out of the district. He is the man who is now being protected under the bill.

Mr. PITTMAN. Mr. President, there are two classes of pioneers. There is one pioneer who did not have the means to sink an oil well, and there is another pioneer who did have the means to sink an oil well. The committee believed that both of them should be protected. One of them should be protected because his condition should not be taken advantage of as long as he was doing all that the law required him to do at the time of the withdrawal, and the other should be protected because he did all he could do under the law and actually discovered oil.

Now, this is the first bill I know of, and there have been three of this character in Congress, that has had a provision in it protecting the man who actually obeyed the withdrawal order of 1909. I believe that that was brought about largely through the junior Senator from Wyoming [Mr. KENDRICK]. In fact, I know it was brought about through the junior Senator from Wyoming. He urged before the committee the very thing that the Senator from Idaho [Mr. BORAH] is now urging, the protection of the pioneer. He urged that there was a class of locators out there who had not asked the advice of attorneys with regard to the withdrawal order of Mr. Taft, but who had obeyed that withdrawal order implicitly, and by reason of such obedience should be recognized when the leasing bill was passed as preferential lessees. Therefore we put into this act what I have before read and which I wish to read once more in conclusion. It is brief and I think it covers it:

And any person who at the time of any withdrawal order heretofore made was such bona fide occupant or claimant of oil or gas bearing lands within such withdrawn areas, other than lands reserved for the use of the Navy, and who has performed all acts necessary to a valid mining location thereof, except to make a discovery, if the claim was initiated within less than five years prior to the withdrawal, and such claimant had performed a reasonable amount of work preparatory and essential to the sinking of a well or wells, and who because of and in obedience to such order desisted from the prosecution of work for the development of such claim, shall have a preference right to lease the same under the provisions of this act.

Mr. STERLING. I note the Senator read "five years prior to the withdrawal" instead of three years.

Mr. PITTMAN. I will state to the Senator from South Dakota that he was not here at the time that amendment was adopted. The Senator from Pennsylvania [Mr. PENROSE] offered that as an amendment and, as I have stated before, the amendment was passed because it was doubted whether three years would include all of the locations that were made in good faith prior to the withdrawal. The Senator from Idaho is informed that five years will not protect all those whom we seek by this provision to protect and he is going to investigate and inform us as to the facts. That is all I desire to say on the subject.

Mr. STERLING. I should like to ask the Senator from Idaho whether there is any objection to any other part of section 17

as it appears on page 15 other than the time limit there fixed? Outside of the time limit does it not cover all imaginable cases that would arise in his State or in the State of Wyoming or in any other State, for that matter?

Mr. BORAH. Mr. President, I could not answer that question, so far as I am individually concerned. Reading the amendment over, without any knowledge of the facts and the ground, I should not have raised any objection to it at present. But as I said a moment ago, a committee came to my office this morning from Wyoming and from the West giving me a state of facts which I obtained only a few moments before I came into the Chamber. I am not able to state just what that state of facts will show or to what extent, if any, there should be an amendment in addition to the change of the years. I do know there will be a desire to change the number of years. I do not know whether there will be a request for any further change in that section or not.

Mr. KENDRICK obtained the floor.

Mr. VARDAMAN. If the Senator from Wyoming will yield to me, I am compelled to leave the Chamber to go to a committee meeting. I should like to ask the Senator in charge of the bill if he expects to dispose of it this afternoon?

Mr. PITTMAN. I will state to the Senator from Mississippi that I do not believe we will reach a vote to-day.

Mr. GALLINGER. There is a unanimous-consent agreement to vote upon it on Monday.

Mr. VARDAMAN. I was requested to ascertain that fact from the Senator in charge of the bill. I should like to know so I can leave the Chamber.

Mr. PITTMAN. There will be no vote on the bill to-day.

The PRESIDING OFFICER. The unanimous-consent agreement states that not later than 5 o'clock on Monday the final vote shall be taken. The Senator from Wyoming will proceed.

Mr. KENDRICK. Mr. President, the Senator from Utah [Mr. SMOOT] asked a question as to whether or not the bill is satisfactory to the people of Wyoming. In answer to that I will say that the people of my State are anxious to have a leasing bill of some kind.

The bill has two features, one of a remedial nature and another providing for the leasing of public lands that have not heretofore been located. We are greatly concerned in the remedial legislation. We are just as much concerned in having some kind of constructive legislation that will bring order out of chaos at this time.

The presence in my State, well known for many, many years, of great bodies of oil, and the absence of any market for the same created there something of a peculiar condition. As far back as 30 years ago there were filings made upon these oil fields, and I have no doubt most of those filings were made in good faith, but the absence of a market, the lack of opportunity to secure results from the drilling of oil wells or the opening up of oil fields, discouraged the people, many of whom abandoned their filings and went away.

In some cases, no doubt, as may be proven, many of these original locators are still on the ground and have been trying to the best of their ability to go on with their development.

When section 17 was incorporated in the bill we asked to have it adopted without limitation as to time, but a protest against this lack of limitation made a change seem desirable. It was pointed out that since some of the original filings dated back, as I have said, for many years, and since some of them had been abandoned, the land involved may have been taken up by other persons, who had gone in upon it in good faith and who had undertaken development. This condition seemed to make it necessary to adopt some sort of a time limitation. But, as the Senator from Idaho has said, I am not sure that five years is sufficient to cover all legitimate and bona fide claims. A little inquiry into that on the part of those who are contending that it is not may, however, clear up that particular situation.

Section 16 originally applied to a naval reserve, but since the naval reserve has been eliminated I see no reason why any protection afforded under that paragraph is not to be found under section 17. But, however that may be, I have no objection particularly to this section. There are people in my State who object to it, and there are people who favor it; but, as I have understood this section, its purpose has been to safeguard only the rights of those who have actually brought in producing oil wells.

Mr. SMOOT. Mr. President, will the Senator from Wyoming yield to me?

Mr. KENDRICK. Yes.

Mr. SMOOT. Does the Senator claim that there is a limitation upon the amount of acreage that an individual may lease under section 16?

Mr. KENDRICK. I have taken no thought of that, Mr. President. I was referring only to limitation of time.

Mr. SMOOT. Limitation of time is not the objection to section 16, but that there is no limitation whatever placed upon the acreage. If the locations have been made as provided for in section 16, or if the restrictions of section 33 apply to section 16, then I would say there would be no special objection to it; but as that section now reads, and as the bill is before the Senate, in my opinion there is no restriction whatever as to the number of acres that an individual may lease under the provisions of this bill if the locations are made according to the bill itself, whereas as to anyone locating lands hereafter the restriction is to 2,580 acres, which is the maximum amount; but under section 16 one individual, if the location were made before the withdrawal order, could lease all of the lands so located and thus, I am informed, have a virtual monopoly of the oil lands of that State. That is the objection to section 16.

Mr. KENDRICK. Well, Mr. President, so far as I can understand the meaning of the bill, no measure that we could pass here would invalidate any legal right that any locator had already established, and it might well be that section 33, to which the Senator refers, might exclude application to rights protected under section 17, because those rights have already been established.

The remedial part of this bill is intended to prevent, as I have stated before on this floor, a situation under which by this measure we might take away from citizens of my State rights that they have secured under existing laws. That we do not want to do.

There are other features of the bill that seem to me to be possible of correction, and all within the limits of the time allowed us. I believe there is a real ambiguity in the paragraph providing for a limitation of holdings. If so, it should be corrected by amendment.

Another feature of the bill which seems now to have a doubtful meaning relates to the resale and disposition of oil, which might create just the condition in my State that it is now intended to avoid—of monopoly. As an illustration, it prevents any interest being held by a producer of oil in any selling or negotiating agency whatever. In Wyoming, with an immense production of oil, there is only one refinery, and if that provision remains in the bill it might establish a condition under which no other refinery could be built.

Mr. SMOOT. Mr. President, will the Senator yield to me?

Mr. KENDRICK. I yield.

Mr. SMOOT. I have no amendment drawn to section 15, nor has one been presented to that section, which would be satisfactory to the Wyoming people who are in Washington and those who will arrive in Washington to-morrow, as I am informed; but it does seem to me that we ought, in section 16, at least to put a limitation upon the lands that can be leased. As it is to-day, suppose one individual, or one acting for a corporation, I will say, had 9,000 or 10,000 acres of oil land in the State of Wyoming. That individual, under the provisions of the bill, would have oil lands enough to erect a refinery, whereas if he only had 2,580 acres, which are provided as the maximum under the leasing system, he could not afford to go to the expense of refining the oil produced from that amount of oil land. The result, therefore, will be, if section 16 remains as it is, that the Standard Oil Co. will control the price of all the oil produced in Wyoming, because of the fact that they will be about the only ones who can afford to erect a refinery.

Mr. SMITH of Arizona. And the pipe lines.

Mr. SMOOT. There is, I believe, only one small pipe line in Wyoming, outside of those that are controlled now by that corporation. I know the Senator from Wyoming [Mr. KENDRICK] does not want that to apply to his State, and I know that he would not be in favor of such legislation. I am also quite certain, from the information that I have received, that that will be the case unless we amend section 16 of the bill.

Mr. KENDRICK. Mr. President, I am strongly opposed to monopoly, especially in Wyoming. I know the situation and I know the extreme difficulty of avoiding it. Acting for two years as chairman of our State land board, I was convinced that it is practically an impossibility to avoid having oil holdings gravitate toward big companies; and I believe that this committee has labored diligently to try to avoid that very situation. If there is an error in that particular section that grants any rights that have not been heretofore held and enjoyed, I myself think that the same limitation certainly should be placed on those holdings that apply in other paragraphs of the bill. However, I had the impression as I read the bill that it referred only to those who already held rights and could not be limited.

Mr. GALLINGER. Mr. President, will the Senator from Wyoming permit an interruption?

Mr. KENDRICK. I yield to the Senator from New Hampshire.

Mr. GALLINGER. Mr. President, when this bill was being considered a few days ago I made a suggestion that I, as then informed, should probably vote against the bill. If I should do that, it would be the first time during my service here that I voted against any bill that western Senators wanted, for I have always been in sympathy with the West, and I have had little sympathy for the wholesale method that has been adopted in creating so-called forest reserves throughout the western country. I want to see that section of our country developed in every proper way. After having made that statement my attention was called to the bill by a Senator, showing me that, in addition to the leasing system, sales were allowed and that it was a different bill from the one that was here a year ago, which I took occasion to oppose. After looking the bill over with that Senator I concluded to do what I seldom do in the Senate, and that is to frankly announce that I had changed my mind and would vote for the bill; but in this morning's mail I received a communication, at which I casually glanced and am not prepared to state definitely what is in it, but one point made was that this legislation would permit the Standard Oil Co. to get a monopoly of the oil in those States that it is supposed will be benefited by this legislation.

I am not in the habit of getting frightened at the words "Standard Oil," but if there is any ground for that charge—and I shall examine the letter or document that came to me more particularly when I go to my committee room—why, of course, I would not vote for the bill, and I do not believe the Senator from Wyoming [Mr. KENDRICK] would vote for it if that is a fact. I think it ought to be cleared up, whether there is any ground for that charge, which is made by some one who claims to know a good deal about the matter. I would be glad, indeed, to have the Senator from Wyoming give his opinion on the point whether we are apparently legislating for the people, but are, as a matter of fact, legislating for a great corporation. My vote, while it may not be of any consequence, would be largely governed by the answer that I may receive to that question.

I thank the Senator for yielding to me.

Mr. KENDRICK. In answering the Senator's question I will say to him that if this measure is intended to provide particular legislation for any company or corporation, I am not advised of it any further than that one operator claims that another is getting an advantage. I have asked for specific information on all these points, but have been unable to obtain anything of a definite nature to show that there is any privilege granted by this bill that should not be granted, or that it is designed to favor any association, organization, or corporation. All of the changes that I have asked for in the bill have been in the way of remedial legislation for the sole and only purpose of protecting rights already established in good faith. I understand from my short experience here the difficulties that have been encountered by the committee in trying to get final action on this measure. I am anxious, because of the importance to my State of having a definite policy adopted, and to see all differences adjusted. Thousands of people in my State are locating oil lands every day, and the complications grow worse instead of better.

Mr. KELLOGG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Minnesota?

Mr. KENDRICK. I yield to the Senator.

Mr. KELLOGG. I should like to ask a question, and preliminary to the question I should like to make a brief statement.

I am not familiar with the hearings which took place prior to April 2, 1917, but I do not remember any testimony of witnesses appearing before the committee which gave the committee any information as to particular holdings of any corporation or individuals in the State of Wyoming. Within the last few days, however, I have received communications which would indicate a state of facts such as suggested by the Senator from Utah, that one corporation did own a vast quantity of locations. So far as I know, that state of facts did not appear to the committee. Is there any objection, so far as the Senator from Wyoming is concerned, to applying to section 16 the same limitation as to acreage which is applied to other locations?

Mr. KENDRICK. Mr. President, in answer to that question I will say to the Senator that I would be glad to have such restrictions incorporated in the section so far as they would not disturb vested and established rights.

Mr. JOHNSON of South Dakota. Mr. President, I wish to ask the Senator from Wyoming before he takes his seat, or of the Senator who has the bill in charge, a question with regard



to section 2 along the same line as the question suggested by the senior Senator from New Hampshire [Mr. GALLINGER]. As I read section 2 it gives to an association or a corporation rights that it does not give to individuals, so far as the purchase of coal land is concerned.

Mr. PITTMAN. That has been amended.

Mr. SHAFROTH. The word "citizen" has been inserted, so as to read "That any citizen or association," and so forth.

Mr. JOHNSON of South Dakota. Very well. I did not know it had been amended. The bill on my desk does not show the amendment, but I am glad to get the information.

Mr. BORAH. Mr. President, I desire to have printed in the Record, so that they may be there for the consideration of those who are not able to get the bill, sections 16, 17, and 33.

The PRESIDING OFFICER. Does the Senator mean as they appear in the bill as it came from the committee or as at present amended?

Mr. BORAH. As amended at the present time.

The PRESIDING OFFICER. Without objection, the sections suggested, as amended, will be printed in the Record.

The sections referred to are as follows:

SEC. 16. That upon relinquishment to the United States within 90 days from the date of this act or within 90 days after final denial or withdrawal of application for patent, of any claim or subdivision thereof asserted under the mining laws prior to July 3, 1910, to any unpatented oil or gas lands included in any order of withdrawal, the claimant or his successor in interest shall be entitled to a lease for each asserted mineral location of 160 acres or less or any subdivision thereof upon which such claim is based and upon which said claimant, his predecessors in interest, or those claiming through or under him, have, prior to the date of this act, drilled one or more producing oil or gas wells, such lease to be upon a royalty of one-eighth of the production of oil or gas produced and saved therefrom after first deducting from the gross production such oil or gas as may be used in development and operating such land, and otherwise on the same terms and conditions as other oil and gas leases granted under the provisions of this act: *Provided, however*, That no claimant who has been guilty of fraud in the location of any oil claim or gas-bearing lands shall be entitled to any of the benefits of this section, nor shall his assignee be entitled thereto unless he affirmatively shows that prior to the passage of this act he purchased such lands in good faith, for a valuable consideration and without actual knowledge of such fraud: *Provided further*, That upon the issuance of said lease and prior to the delivery thereof the applicant therefor shall pay to the United States for one-eighth of the oil or gas produced and saved from the lands included in said claim at the current field price at the time of production, which shall be in full satisfaction for all oil or gas extracted from said land prior to said lease: *And provided further*, That none of the provisions of this section or of this act shall be applicable to or affect lands or minerals included within the limits of any naval petroleum reserve: *Provided further*, That the provisions of this section shall be applicable in all cases provided for herein, including cases where court actions have been heretofore commenced, or may hereafter be commenced by the United States Government affecting the title to such lands or the product thereof: *Provided, further*, That any bona fide occupant or claimant of oil or gas bearing lands in the Territory of Alaska, who prior to withdrawal had complied with the requirements of the mining laws, except as to discovery of oil or gas in wells, and who prior to withdrawal expended not less than \$1,000 in permanent improvements on or for each location, shall be entitled to the benefits of this section.

SEC. 17. That the rights of any person who on the 1st day of August, 1917, was, and ever since has been, a bona fide occupant, or claimant of oil or gas bearing lands open to appropriation as such under existing law, and who has performed all acts necessary to a valid mining location thereof except to make a discovery, and who on and prior to said date was preparing to develop such lands, and to discover oil or gas therein, and who shall thereafter continue in the diligent prosecution of work leading to the discovery of oil or gas, shall not be affected or impaired by this act so long as such occupant or claimant shall continue in the diligent prosecution of said work. Such occupant or claimant so continuing shall be entitled to develop and prosecute his claim for patent and to have the same as provided by existing law for such locations not exceeding in the aggregate 2,560 acres.

And any person who at the time of any withdrawal order heretofore made was a bona fide occupant or claimant of oil or gas bearing lands within such withdrawn area, other than lands reserved for the use of the Navy, and who has performed all acts necessary to a valid mining location thereof, except to make a discovery, if the claim was initiated within less than five years prior to the withdrawal, and such claimant had performed a reasonable amount of work preparatory and essential to the sinking of a well or wells, and who because of and in obedience to such order desisted from the prosecution of work for the development of such claim, shall have a preference right to lease the same under the provisions of this act: *Provided*, That such preference shall not extend to any lands included in any locations determined to be valid and entitled to proceed to patent under the mining laws existing at or prior to the passage of this act: *Provided further*, That if any claimant is given a preference right to lease lands upon which wells have been sunk to oil by other parties, the Secretary of the Interior may in his discretion require such lessee to pay to the party or parties who sunk such well or wells, or to the United States, the reasonable cost of such well or wells.

SEC. 33. That no person, association, or corporation, except as herein provided, shall be permitted to take or hold any interest, as a stockholder or otherwise, in leases of any one of the deposits herein named and described, during the life of such leases covering in the aggregate an area greater than 2,560 acres, and any interest held in violation of this provision shall be forfeited to the United States by appropriate proceedings instituted by the Attorney General for that purpose in any court of competent jurisdiction, except that any such ownership or interest hereby forbidden, which may be acquired by descent, will, judgment, or decree, may be held for two years and not longer after its acquisition.

Mr. BORAH. Mr. President, I desire to make a single observation before I sit down. I find that a good many provisions in this bill are intended to prevent monopoly in production, in the ownership of the soil, and in lease holdings, in the first instance, but I do not find any sufficient safeguards against complete monopoly in refining. While there are provisions in the bill which, if they would operate upon entirely unoccupied territory, would have that tendency, yet, by reason of the peculiar facts which exist in the particular territory, they will not have that tendency or will not have the effect, in my judgment, of limiting monopoly with reference to refining. I think that there ought to be some such amendment as I shall propose later, and which I hope the committee will accept.

Mr. PITTMAN. I think that section 34 was intended by the committee to apply to refiners. This is the language used in that section:

SEC. 34. That no person, association, or corporation holding a lease under the provisions of this act shall, except as herein provided, hold any interest, direct or indirect, in any agency, corporate or otherwise, engaged in the resale of coal, phosphate, oil, gas, potassium, or sodium purchased from such lessee, or enter into any arrangement, agreement, or other device to enhance the price of such minerals or products, and any violation of the provisions of this section shall be ground for the forfeiture of the lease or interest held.

I think the committee had in mind at the time that the word "agency" covered a refinery. However, I will say that the suggestion of the Senator from Idaho has considerable merit, for I doubt whether it does include refineries. At this point let me ask the Senator from Idaho, while he is considering his amendment on that particular subject, to be also considering a provision for permitting independent oil operators to unite for the purpose of putting up their own refineries.

Mr. BORAH. I think that kind of a provision ought to be in the bill, because its absence is one reason why the refining may be merged into a complete monopoly. The holdings upon the part of the independent owners are such that they can not, unless they are permitted to join together, put up refineries, but they would necessarily have to sell out or surrender to those who could put them up.

Mr. PITTMAN. The object of the committee was this: It desired to prevent the control of oil fields through a refinery; in other words, it desired to prevent corporations owning the oil really owning the refineries—to prevent a combination through the refineries. The provisions that are in the bill now are the same provisions that were in previous bills; the committee merely redrafted the bill and put them in; in other words, the provisions attempting to provide against monopoly which are now in the bill were in the bill that passed the Senate at one time, and they were in the bill that twice passed the House of Representatives.

While this question has been once or twice called to the attention of the committee, they seemed to think it was of more importance to prevent a combination of oil operators in a refinery than to permit them to organize a refinery, but I will call the attention of the Senator from Idaho and of other Senators to the fact that in the bill we passed recently, in fact, at the last session, providing for the development of potash, we expressly provided that the lessees under the act might unite in establishing a refinery, provided that no lessee should have to exceed a 10 per cent interest in such refinery. I simply lay that down here as a suggestion for Senators who are particularly looking into the Wyoming situation.

As the Senator from Minnesota [Mr. KELLOGG] has said, the committee had no hearings on the Wyoming situation. I do not think the committee are advised about the details of the situation in Wyoming; they were simply advised over a period of four years with regard to general conditions; and, as I have before said, we attempted to legislate to meet those general conditions.

Mr. SMITH of Arizona. Mr. President, if the Senator will permit me, I see in a brief which has been sent to me, signed by Mr. Benjamin F. Rice, to whom the Senator alluded some time ago in the debate, on page 11, after citing section 34, the following observation:

From a practical standpoint, under the provisions of this section 34, the successful prospector on the public domain may not install a pipe line or refinery. This provision says that no person holding a lease under the provisions of the act may have any interest in any agency engaged in the resale of oil.

Every pipe line in the United States which is a public carrier buys oil at the field of production and sells it at the refinery. Practically every refiner in the United States buys oil at the field of production, refines it, and sells it.

The refinery and the pipe line are both, to an extent sufficient to bring them under the terms of this act, agencies engaged in the resale of oil.

Whether that is a proper interpretation of the effect of that section I do not know. If it is, it stands in the way of any

sort of competition against the Standard Oil Co. or any other great corporation or monopoly, if you please, in these fields.

Mr. KING. Mr. President, the other day in discussing this measure I called attention to the position taken by the Senator from California [Mr. PHILAN] with respect to section 16, as I recall. As I understood the Senator from Nevada [Mr. PITTMAN], an amendment has been accepted which eliminates in part, at least, this section or certain provisions of it from the bill. I ask the Senator from Nevada if that is correct, if the committee did accept certain suggestions made by the Senator from Virginia [Mr. SWANSON], the result of which was to eliminate from this section certain provisions in it with respect to the reserves?

Mr. PITTMAN. The Senator from Virginia moved to strike out in line 15 the words "or with naval petroleum reserve No. 2," and the motion was carried. That simply excludes the naval reserve from the operation of the act.

Mr. KING. That is naval reserve No. 2?

Mr. PITTMAN. Naval reserve No. 1 and naval reserve No. 3 had already been excluded, so that means that all naval reserves are excluded from the effects of this bill.

Mr. KELLOGG. Mr. President—

Mr. KING. I do not yield the floor. I yield for a question.

Mr. KELLOGG. I wish the Senator would state that again. We could not hear it.

Mr. PITTMAN. Before the holidays the Senator from Virginia [Mr. SWANSON] moved to strike out, on page 12, the words "within naval petroleum reserve numbered 2." The motion was carried. The effect of it, as I say, is to exclude all naval reserves from the operation of this act.

Mr. KING. Mr. President, I am not quite clear yet what the effect of this legislation is or what is designed by the committee with respect to those locations that have been made upon lands that have been withdrawn and characterized as "naval reserves"; but as I understand the situation in brief it is this: Under the provisions of this bill, persons who have made valid locations upon certain oil lands—if not valid before the passage of the Pickett Act, at least were rendered valid by the provisions of that act—are practically compelled to abandon or renounce their claims and to accept leases from the Government covering a portion only of such claims.

Mr. PITTMAN. I do not see how Congress could, by any act, accomplish that, and certainly it is not the desire of the committee. How can Congress take away any valid and existing right of a locator?

Mr. KING. That is exactly what I should like to know.

Mr. PITTMAN. Nor does the bill attempt to do so. The bill simply gives to a locator the privilege of surrendering his claim of title in lieu of a lease; and the reason for that is this: The committee believes that there are a great many claims that are legal which it is afraid will be held illegal under the rulings of the court and the prejudice against such locations. Therefore we have opened a door to partially save these people who, in the opinion of some of them, have been mistreated and will continue to be mistreated. We simply say to them: "You must surrender your claim of title and accept a lease if you are afraid to fight it out."

Mr. KING. But that extends only to those claims that are outside of the naval reserves?

Mr. PITTMAN. Oh, yes; undoubtedly. As far as the naval reserves are concerned, they are just in the position that they were before the passage of the bill.

Mr. KING. Permit me to inquire of the distinguished Senator from Nevada what is the purpose of the committee in dealing with those who are within the naval reserves? Is it to remit them to the courts or to subject them to the provisions of the bill threatened by the Senator from Virginia, which, he says, has for its object the condemnation of their holdings?

Mr. PITTMAN. I think they will be very largely remitted either to the mercy of the courts or to the Senator from Virginia in the first place, and to Congress in the second place.

Mr. KING. Does not the Senator think that while Congress is dealing with the subject of oil lands in a broad and comprehensive way, as this bill seeks to deal with them, that the rights of individuals upon the reserves, so called, ought to be determined and dealt with, so far as they can be by legislation, at the same time?

Mr. PITTMAN. I think so, and I have thought so for four years; and a great majority of our committee have for four years believed that the palpable injustice that had been done the people in this naval reserve, as well as outside, should be remedied at the same time that any general legislation was passed dealing with the whole subject. We have tried to do it; but, as has been stated here on the floor, we who are interested in opening up the 8,000,000 acres of oil land and the

44,000,000 acres of coal land have been forced to the conclusion, after four years' time, that we can not pass an act that has that in it. That is a humiliating admission, but it is the fact nevertheless; and we had to determine whether we preferred no legislation or legislation dealing with all the lands outside of the reserves.

Mind you, there are ten times as many sufferers outside of the reserves as there are in the naval reserves. We could do nothing for those in the reserves, and the question is whether we should do nothing for those outside of the reserves by attempting to pass a law with this provision in it. That is the position we are in, and it is a matter for each Senator to determine in his own mind what to do.

Mr. KING. Mr. President, I expressed the other day my condemnation of the policy of certain executive branches of the Government that has dealt with the public lands embraced within this bill and the method which has been pursued with respect to these oil lands. It seems to me that Congress can not maintain its self-respect if it permits executive subordinates of the Government to dictate the character of legislation which shall be enacted. The statement of the distinguished Senator from Nevada amounts to a confession that the Navy Department and Interior Department and other agencies of the Government has so dominated the legislative branch of the Government that we can not deal justly with claimants upon the public domain and that we can not deal with this subject in a just and fair manner.

Mr. SMITH of Arizona. Because we can not get enough votes.

Mr. PITTMAN and Mr. KELLOGG addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Utah yield; and, if so, to whom?

Mr. KING. I yield to the Senator from Nevada.

Mr. PITTMAN. I ought to say that it is not by reason of any influence of the Department of the Interior that it has become necessary to strike this out, but by reason of the influence of other departments of the Government. The Department of the Interior was perfectly satisfied with treating individuals and citizens inside the naval reserves the same as it treated citizens outside of the naval reserves.

Mr. KELLOGG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Minnesota?

Mr. KING. I yield to the Senator from Minnesota.

Mr. KELLOGG. I was under the impression that the Secretary of the Interior had recommended and was in favor of including the naval reserves in the bill. That was my understanding. Is that correct?

Mr. KING. I am very glad to know, Mr. President, that the Secretary of the Interior has taken the position just suggested by the two Senators. I have followed with a great deal of interest the administrative work of the present Secretary of the Interior. He has given to the great questions committed to his care the most earnest and conscientious consideration, and has treated the problems so important to our Nation and which demand solution at the hands of the Government in a broad and comprehensive manner. I think it may be truthfully stated that no Secretary of the Interior has been better equipped for the discharge of the high duties of that position than Secretary Lane, and none have had a keener appreciation of the importance of the work committed to this department. I have not always agreed with the policies of the present Secretary of the Interior or with the administrative work of many of the subordinates in this branch of the Government service.

There has been too much paternalism to meet my views, and some officials have been too persistent to augment the powers of the Federal Government. I have felt that the States more and more are becoming atrophied and that the executive branches of the Government have too often attempted to superimpose the Federal Government upon the State governments. I have not been in sympathy with some of the policies of the Interior Department which I think have unquestionably retarded the development of the West and precluded the opening of agricultural lands and the mineral wealth of our Nation. I understand that the Secretary of the Interior approves, in the main, of the provisions of this bill. I have heretofore stated that I disapprove of this bill and the policy which it seeks to inaugurate. I can not be reconciled to Federal landlordism and to the obnoxious paternal features found within sections of this measure. I can not assent to a policy that repeals the wise and beneficent system under which our Nation has prospered and sterile regions under the flag have grown into prosperous and splendid Commonwealths.

But I did not rise for the purpose of animadverting upon the change in policy proposed by this bill and the sweeping



away of the entire mineral-land system which has met with the general approval of the people of the West. I only rise for the purpose of calling attention to a few of the provisions in the pending measure and to seek from those having charge of the bill information as to the scope and meaning of the same. But, to recur to what I was stating a few moments ago, it occurs to me that some of the executive branches of the Government are either chloroforming Congress or terrifying the National Legislature so that its Members are unable to enact the legislation which the majority of the Members believe to be fair and just. If we are chloroformed, I express the hope that some wise physician with healing and neutralizing potions will administer to our infirmities and relieve us from the narcotizing effects of the poison, which has been so copiously administered. If we are terrified, then I venture the hope that some brave and valiant leader shall appear in our midst and inspire Congress with that spirit of duty that will enable it to perform its constitutional functions and by the assertion of some little wisdom attain the heights reached as the result of honorable service.

I can not comprehend the attitude of those who assert that the approval of some department is indispensable to the enactment of legislation.

While the recommendations of executive officers are desirable, the responsibility of legislation rests upon the Congress and it would be a base betrayal of the interests of the people if the legislative branch of the Government should shirk its responsibility and content itself with registering the edicts of the executive branch and constitute itself a mere echo of the wishes of the bureaus and departments of the Government.

I feel that we shall be dealing unjustly with those who have valuable locations within the naval reserves if we do not at this time and in this bill deal with the entire question. It would be a cowardly evasion of our responsibilities if, because some officials of the Navy Department or any other branch of the Government demand that we should abstain from legislating upon any question that was committed to our power, we conform our conduct to that view. If a given law is required by expediency and in the interest of justice, and it is within the power of Congress to enact the same, it should be passed regardless of the hostility upon the part of any bureau or any executive branch of the Government.

I have carefully read the splendid report submitted by the Senator from Nevada accompanying this bill. It is a severe and scathing arraignment of certain executive departments of the Government. In this report this language is employed:

The Navy Department has objected every time that such provision has been included in similar bills, and the controversy that was thus precipitated, as inconsequential as it was to the Government, has always prevented the passage of such bills. Although there are over 30,000 acres in naval reserve No. 2, only 7,680 are affected by such provision. Notwithstanding the insignificance of the dispute over this small tract of land, it is the opinion of the committee that the bill can not be passed without just settlement or compromise of such differences.

#### AS TO RESERVE NO. 2.

In this oil reserve there are 7,680 acres of unpatented land that is affected by section 16 of this bill. Upon all of this land mining locations were made for oil prior to the first withdrawal by President Taft in 1909. On all of this land producing oil wells have been sunk by such claimants or their successors in interest, and all derange their title from locations made prior to any withdrawal. On all of the claims in this said 7,680 acres of land producing oil wells had been developed prior to the reservation of said land for naval purposes in 1912.

Of the 7,680 acres, 2,080 acres have been clear listed for patent by the Department of the Interior; that is, the Department of the Interior, after a thorough investigation and trial, has finally held that such claimants have complied with the law entitling them to United States patent from the Government. Notwithstanding this determination by the Department of the Interior, which has sole jurisdiction in the matter, the Department of Justice, at the request of the Navy Department, is still seeking to prevent the Department of the Interior from issuing patent in accordance with its decree. This case is known as the Honolulu Oil Co. case. The Attorney General, in testifying before the Public Lands Committee of the Senate on February 16, 1916, said:

"In response to these assertions I have this to say: First, These suits were instituted—all of them, I believe—with the approval of the Interior Department, whose liberal view of the Pickett Act is reflected in its decision of the Honolulu Consolidated Oil Co.'s case.

"Second, The Honolulu case, I understand, is regarded by the Interior Department and by the attorneys of my department as a case supported by a state of facts far more favorable to the claimants than exist in any of the cases in suit."

The Attorney General in the foregoing statement was referring to the cases involving section 28 and section 2 as cases less favorable to the claimants than the Honolulu case. In fact, the testimony of the various witnesses of the Department of Justice, made before the various committees, clearly indicated that the Government not only considered such cases the weakest as far as the claimants were concerned, but held them up as examples of the fraud attempted to be perpetrated upon the Government. And yet these were the cases that the Circuit Court of Appeals has just decided so emphatically in favor of the claimants, a portion of the opinion of which is hereinbefore cited. These are the cases which involved the so-called "dummy entries" or "fraudulent entries" known as the McNamara and McLeod locations. The Government set up in such cases the fraud and attempted to prove it. The

Government was not even able to produce sufficient evidence of fraud to justify the circuit court of appeals in retaining a receiver for the property. In other words, the Government could not even make out a prima facie case of fraud. What did the court say with regard to the allegation of fraud? The court in its opinion with regard to this issue says:

"Not only has no attack, so far as appears, been made by the Government on the register's final certificate of entry, but there is in these cases not the slightest showing of any fraud or lack of good faith at any time on the part of the appellants or of any of their predecessors in interest. True, the bills of the Government, which were verified by an agent upon information and belief, alleged that the location notices under which the appellants' claim were posted by 'mere dummies' to enable 'Defendant McLeod or some one else' to obtain the land; but that allegation was put in issue by positive denial under oath, and there was no undertaking whatever to sustain the charge."

This was the prize case of the Department of Justice in the naval reserve. It was the alleged facts in this case that gave grounds to the Department of Justice for most violent charges of fraud and corruption in the location of oil claims throughout the United States, charges that have been reiterated and published with the knowledge, and if not with the encouragement, certainly without the opposition of the Department of Justice. It has been the prejudice aroused by the pictures of fraud against the Government, painted in connection with the facts in this case, that have largely tended to prevent calm and intelligent consideration of legislation necessary to the development of the oil resources of this country.

Both the district court and the circuit court of appeals have decided against the Government with regard to the 640 acres included in section 2 in said naval reserve No. 2. First, on June 7, 1917, the United States District Court for the Southern District of California, Judge Bean presiding, upon a trial upon the merits, in a case wherein the Government was plaintiff and the claimants of the land defendants, held that while the claimants had not made discovery prior to the withdrawal order of 1910 at said time, they were in the diligent prosecution of work leading to a discovery, and subsequent to said date did discover oil, and therefore said claimants came within the remedial provisions of the Pickett Act and were entitled to patent for the land.

Prior, however, to such decision Judge Bean had appointed a receiver in the case, and from the decision appointing such receiver an appeal had been taken to the Ninth Circuit Court of Appeals. On the 20th day of August, 1917, the said circuit court of appeals in reviewing such appeal found as a fact that the claimants had complied with the law entitling them to the property and the receiver was discharged.

How can the Government hope to win the Honolulu Oil Co. case, which is admittedly the strongest case for the claimants, in the face of the decisions which have just been rendered and which are referred to in this report? The Government has not so far won a single case in oil reserve No. 2. The result of this litigation so far, which has covered a period of three or four years, is that the Government has expended large sums of money, is bankrupting men who have spent millions of dollars in a legitimate belief that they were entitled to develop unknown supplies of oil, and is retarding the production of oil in the known oil fields, that is so critically needed by the Government at the present time.

The chances of recovery by the Government are, to say the least, not encouraging. It is a condition in which an individual, being in the place of the Government, would be most apt to seek a favorable compromise. The committee has long sincerely and industriously sought such a compromise. The committee simply proposes that this land, which has already been developed by the claimants and the development of which must continue by reason of the geological and physical conditions, be leased by the Government to the claimants under the general provisions of the bill upon the payment by the lessee to the Government of a royalty of one-eighth of the oil. The language of the compromise provision contained in section 16 was prepared and submitted by the Interior Department at the request of a joint committee composed of members of the Public Lands Committee of the Senate and the Public Lands Committee of the House.

A compromise of this nature was authorized and directed by the Congress of the United States by an act approved August 24, 1914. By such act the Secretary of the Interior was expressly authorized to execute leases to applicants for patent for oil lands within withdrawn areas, both inside and outside of naval reserves, pending the determination of the application for such patents. The only distinction with regard to leases in naval reserves is that the royalty shall be placed in a naval fund. The Secretary of the Interior obeyed the instructions of the act with regard to such claims within reserved areas and executed leases, except to naval reserves. He declined to execute such leases within naval reserves, in obedience to the act, solely by reason of the request of the Navy Department that no such leases be executed. In discussing the intent of Congress in the passage of this act, the Attorney General, in testifying before the Public Lands Committee of the Senate on June 27, 1917, said:

"The ATTORNEY GENERAL. Under the act of 1914 he was given power to lease. I want to say right in this connection that my theory in regard to these leases was expressed by your chairman in some remarks in committee recently with regard to the act of 1914, to the effect that by that leasing system it was intended to provide a cheaper way of taking the place of receiverships; and the general idea of that provision of the act of 1914 is that pending disposition of applications for patents the Commissioner of the Land Office or the Secretary of the Interior may issue these leases. That he has done very extensively. I understand he has issued a circular inviting them all to come in."

"The ACTING CHAIRMAN (Mr. PITTMAN). Not inside of the naval reserve?"

"The ATTORNEY GENERAL. Outside."

"The ACTING CHAIRMAN. They are pursuing the practice of operating wells inside of the reserve by receivership and declining to let them be operated under the act of 1914 by contract."

"The ATTORNEY GENERAL. I know he made no leases inside the reserve. I understand the Secretary of the Navy seriously objected to it. As far as my department is concerned, when he issues leases and fails to pass on application for patents, my hands are tied. There is nothing I can do in any way. It depends upon the Commissioner of the Land Office how many suits I can bring."

"The ACTING CHAIRMAN. The testimony in the hearing before the committee shows that the Land Office Department intended to execute these contracts inside of the reserve as well as outside of the reserve and on the withdrawn area on the same terms and conditions, but that the Secretary of the Navy requested him not to do that. It is by reason of that request that he failed to execute the act of 1914, which, as I have stated, was intended to take the place of the receiverships."

Instead of following the act and allowing a claimant to work a well that he had sunk, they have taken the wells away from him and put them into the hands of a receiver.

"The ATTORNEY GENERAL. I can not agree with you that the act to which you refer is mandatory and requires him to issue leases. It merely gives him the power. When the Secretary of the Navy protested he merely did not use the power which he had."

The Commissioner of the General Land Office recognized, as must every lawyer, that such discretion was not arbitrary but was a sound judicial discretion, and testified that the only reason that he did not let leases within the naval reserves as he did outside of the reserves and within other withdrawn areas was because of the protest of the Secretary of the Navy. The Secretary of the Navy, in making such protest, knew that he was violating the expressed intent of Congress, because he appeared before the Public Lands Committee of the House and sought to have naval reserves excluded from the operation of such act, and his request was expressly denied by such committee and by Congress. Instead of obeying the mandates of such act, the Department of Justice, on behalf of the Navy, had these wells on these claims, which had been sunk at the expense of many thousands of dollars, and in some cases millions of dollars, taken out of the hands of the claimants and operated under the supervision of a receiver. The appointment of some of these receivers, in fact, in the very strongest cases that the Government claims to have, have been discharged by the circuit court of appeals, as is disclosed in the opinion hereinbefore cited.

It will be observed that in this report attention is called to the fact that the Navy Department interfered with the Secretary of the Interior in the performance of duties devolving upon that official by act of Congress. The report, as will be observed, states that the Secretary of the Navy knew that he was violating the expressed intent of Congress, and that instead of obeying the mandates of law the Department of Justice, on behalf of the Navy, instituted suit and took property out of the hands of men who had spent millions in acquiring it.

It is against these acts that I protest. I know but little concerning the oil lands in California, but this report and the bill accompanying the same present a situation which, in my opinion, calls for different and additional legislation to that provided in the measure under consideration. No matter what the motives of the executive branches of the Government may have been, the facts stated in the report and in the decisions of the courts clearly demonstrate that the rights of individuals have been disregarded and the loss of Congress flagrantly put aside by those who have sworn to uphold the law.

My distinguished colleague [Mr. Smoot] stated the other day that there were certain forces which had been at work for years to prevent the opening up of public lands and to hold in reserves and from public entry millions of acres of public domain. This conservation craze which affected so many people, and which manifested itself in hysterical utterances, often resulted in hysterical legislation and executive orders and pronouncements.

Doubtless it was inspired by the best of motives, but many of those crying for conservation lacked an appreciation of the practical questions involved and a proper understanding of the physical and other conditions prevailing in our country. Conservation is one thing, and foolish and hysterical undertakings are another thing. There is a conservation of the resources of country, and there is a pseudo conservation which paralyzes the development of the country and locks up resources demanded by a growing and expanding country. It is not too much to say that the organization referred to by my colleague has attempted to strangle legislation that sought to deal justly and fairly with those who had oil locations upon public domain. No doubt these forces just referred to have contributed to defeat legislation so earnestly desired by the people of the West, and have compelled the Public Lands Committee to submit this bill as the very essence of righteousness which their merciful natures will permit the Nation to enjoy. Apparently we are denied the right to enact legislation that we believe to be right. The Secretary of the Navy has threatened that there shall be no legislation that will protect the rights of those having valid locations within certain naval reserves. Apparently we are powerless to enact any legislation that has not the approval of certain executive branches of the Government. As I understand, many of the locations within these reserves have been attached by the Government, but the courts have sustained the validity of such locations.

In the report submitted from the Senator from Nevada, reference is made to a decision by the circuit court of appeals (ninth circuit). The case is *The Consolidated Mutual Oil Co. against The United States*, and was decided October 8, 1917.

Mr. PITTMAN. Mr. President—

Mr. KING. I yield to the Senator from Nevada.

Mr. PITTMAN. The locators referred to in that decision are not the ones that need remedial legislation. The circuit court of appeals has reversed the lower court, discharged the receiver, and turned over large quantities of money to these locators, and the chances are that the circuit court of appeals will be sustained if the matter is taken to the Supreme Court. They need

no remedy. They would not take advantage of this remedy if they had an opportunity. They would not be foolish enough to surrender their claim to the land and accept a lease now, after having fought it so far. The remedy is for the benefit of those people who have morally conformed to all the requirements of law, but who technically are held deficient in their titles. Those are the people that we are trying to help—the persons who believed that the Taft order of withdrawal was illegal and who worked under the advice of their attorneys and under the rulings of the lower courts, and the people who believed they were complying with the Pickett Act and have been held by the lower courts not to have complied with it. It is those people that we are attempting to help.

The argument that was made in that report was not for the purpose of showing that those people needed help, but it was for the purpose of showing that the Navy Department is foolish in opposing this provision. It was for the purpose of showing that the Navy Department is not subserving the best interests of the Government in opposing this legislation. The Navy Department will not get any of that land. The courts have held that it belongs to individuals, when if the Navy Department had not opposed this very provision two years ago the Navy Department to-day would have been the owner of the very land which is now declared to be these individuals' land, and would have been drawing a one-eighth royalty in oil all of this time. The Navy Department would have had oil on hand to-day with which to run the vessels of the Navy, instead of seeking everywhere for it at the highest kind of prices. The report was drawn for the purpose of showing that the Navy Department was foolish, knew nothing about the situation, was trying to make a permanent reservoir where there were two hundred and odd wells tapping it, and refusing to accept one-eighth of the oil out of it, when the courts were holding that the department could not get anything out of it. That was the object of that.

Mr. SWANSON. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. SWANSON. The Attorney General has informed me that the statement as to the decision in that report is erroneous. The Senator from Nevada, when he included it, made a mistake as to what the decision of the court was. The Attorney General has had prepared and sent to me a list of the number of suits brought, the number that the Government has gained, the number of suits in which receivers have been appointed, and a full recital of the decisions made in all these cases.

The case to which the Senator alludes is a case, as I understand from the Attorney General, in which an application was made for the appointment of a receiver to take charge of the oil wells and operate them. The lower court granted the appointment of a receiver without taking proof, holding that having sworn to this, though it was denied, proof was not necessary. The circuit court held that the allegations of the bill being denied, the burden of proof was upon the complainants to prove their case, and reversed the decision as to the appointment of a receiver, but did not decide the case on its merits.

As I understand, the case is in the lower courts now on the merits as to whether these dummy entries are legal. I am informed that the district judge, though not deciding on that case, but on another case in which this question was involved, decided it in favor of the Government, holding that they had not prosecuted the work sufficiently under the Pickett Act, but, alluding to these dummy entries, saying it was not necessary to decide that question. From the intimations contained in the opinion, however, they were satisfied that the court would hold that these dummy entries were not legal, and that they would not be sustained.

As I understood from the Attorney General, these cases have been decided upon a technicality, and not upon the merits. Besides that, I am informed that they have additional evidence showing facts in these cases which they are satisfied will nullify the claims made by these parties.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nevada?

Mr. KING. I do.

Mr. PITTMAN. I think it is unfortunate that the Senator from Virginia, who is such an excellent lawyer, should be so illy advised by the Attorney General, and I regret that the Attorney General, who has the reputation of being a good lawyer, is so poorly advised by his clerks. It shows how unfortunate the executive officers of our Government are with regard to legislative matters. I have no doubt that we shall have other advice coming from the same source in regard to proposed amendments to this bill.



If the accuracy of the subsequent suggestions is to be measured by the present suggestion of the Senator from Virginia it will certainly subject them to some doubt. The Senator from Nevada, in preparing the report at the request of the Committee on Public Lands of the Senate, only saw fit to use the language of the court, and I would suggest that hereafter the Senator from Virginia have the Attorney General send up the language of the court.

Mr. SWANSON. I have it. It was brought to me just a few seconds ago.

Mr. PITTMAN. One moment. I will ask the Senator from Utah to read the decision which we were discussing. He has it right there.

Mr. PHELAN. Mr. President—  
The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from California?

Mr. KING. I yield to the Senator from California.

Mr. PHELAN. I desire to ask the Senator from Virginia a question, as he seems to be so well informed on the subject of the litigation originating in the office of the Attorney General. The question is whether the Department of Justice has won for the Government any case whatever in naval reserve No. 2?

Mr. SWANSON. Here is a summary sent to me regarding the suits. I will read it if the Senator will permit me.

Mr. PHELAN. The Senator is not informed though, at this moment?

Mr. SWANSON. Yes; I have the report right here now.  
The general trend of the report under consideration would convey the impression that the Government has lamentably failed in maintaining its prosecutions against the claimants of these withdrawn lands. The facts are as follows:

<i>Suits instituted.</i>	<i>Suits.</i>	<i>Acres.</i>
In California, in naval reserves	32	8,177
In California, outside naval reserves	23	4,598
Total in California	55	12,775
In Wyoming, outside naval reserves	3	560
Total in California and Wyoming	58	13,335
<i>Receiverships.</i>	<i>Cases.</i>	
Receiver in charge	21	
Receiver denied (no producing well)	1	
Receiver discharged (insufficient showing)	3	
Application pending (Honolulu case)	1	
Bond in lieu of receiver	1	
Total number of applications	27	
Stipulation to impound net proceeds	1	
<i>Decisions on merits.</i>	<i>Cases.</i>	
For the Government (Supreme Court)	1	
For the Government (district court)	11	
Against the Government (circuit court of appeals)	1	
Against the Government (district court)	1	
Total	14	

Mr. SMITH of Arizona. Are those final decisions?

Mr. SWANSON. They are not final; no. They are none of them final, because they go to the Supreme Court.

You will, of course, observe that while the merits are not gone into in applications for receiverships, the Government is required to make out a prima facie case before the receiver is appointed.

As this letter does not cover all objections to which the report is subject, I will ask you not to insert it in the record. I have not the slightest objection, however, to your using the facts herein stated.

Now, here is the opinion in this case of which complaint was made.

Mr. KING. Is the Senator referring now to the decision in the case of Consolidated Mutual Oil Co. against The United States?

Mr. SWANSON. I have no more suits. I will see if I have that case.

The PRESIDING OFFICER. The Senator from Utah is recognized in his own right.

Mr. KING. Mr. President, I have not before me the memorandum from which the Senator from Virginia has just been reading, but as I understand his statement, the Government has "lamentably" failed—to use the expression in the memorandum—in supporting its contention with respect to the invalidity of the oil locations within these reserves.

Mr. SWANSON. If the Senator will permit me, I have the Consolidated case here. I will read what it says:

While the report does not mention the decision of the circuit court of appeals from which the quotation is taken, I will state that it is in two cases under the title "Consolidated Mutual Oil Co. v. United States," decided August 20, 1917. (245 Fed., 521.)

In these cases a temporary receiver was appointed by Judge Dooling pending final determination on the merits, the condition of the pleadings being as stated in the excerpt from the opinion above quoted. The application for the appointment of a receiver was submitted on the allegations of the Government's bill and the sworn denial of the defendant. Judge Dooling held that this was sufficient and did not require the Government to produce any evidence as to the actual fraud charged, and no evidence was, in fact, introduced. An appeal was taken to the circuit court of appeals from the action of Judge Dooling in

appointing a receiver, and by a divided court (Judge Gilbert dissenting) it was held that the receivership should not have been granted without the Government going into proof of the fraud, and that phase of the case was reversed and remanded.

Meanwhile, the merits of the case had come up before Judge Bean, who dismissed the bills without consideration of the merits, on the ground that they should have been brought in the form of ancillary bills instead of bills to recover the lands. (242 Fed., 746.) On motion for rehearing the dismissal was "without prejudice" to the institution of other suits by the Government in accordance with his view that the bills should be ancillary.

Mr. PITTMAN. Mr. President—  
The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nevada?

Mr. KING. I yield.

Mr. PITTMAN. What is the Senator reading from?

Mr. SWANSON. I am reading from a letter of the Attorney General.

Mr. PITTMAN. Oh! That is some more advice from the Attorney General?

Mr. SWANSON. The Attorney General was authorized by the Secretary of the Navy, under an act of Congress, to defend these lands from being improperly taken from the Government; and the only criticism that can be made of these two officials, if any, is that they have been too zealous. In this day and time it is a meritorious thing to be zealous in defending the interests and rights of the Government.

In regard to the McMurtry and McLeod locations, the Attorney General says:

It will be seen from this that the merits of the question in regard to the fraud charged by the Government as to the McMurtry and McLeod locations were neither considered nor determined in these cases, in either the court of appeals or the district court.

Now comes a most pertinent fact that is not disclosed in the report submitted by Senator PITTMAN, which is, that at the same time Judge Bean disposed of the cases above referred to, he decided the case of United States v. Thirty-two Oil Co. (242 Fed., 730), and that this case involved the McMurtry and McLeod locations. In the Thirty-two Oil Co. case there was no question of jurisdiction as in the Consolidated Mutual Oil Co. case, but the decision was on the merits and for the Government, on the ground that defendants had not diligently prosecuted discovery work as required by the Pickett Act, the so-called "group-development theory" of operation being rejected. The court in its opinion, appearing on page 733 of Two Hundred and Forty-second Federal Reporter, said as to the McMurtry and McLeod locations:

"It is claimed by the Government that the paper locations by McMurtry in 1907 and 1909 were not made by him for the benefit of the alleged locators, but for himself and others, and were therefore a fraud on the mining law and void. I am disposed to believe there is merit in this contention. Indeed, there can be no question from the evidence but what the alleged locations made in 1909 were not for the use and benefit of the named locators, but to enable McMurtry to consummate and carry out the previous contract made by him with McLeod and others for the disposition of the property as heretofore stated. But I do not deem it necessary to put the case on that ground. If the defendants have any right to the property as against the plaintiff, it is conferred by the Pickett Act, and the facts do not bring them within the remedial provisions of that law."

From this it will be clearly seen what the court's view was as to the fraud charged by the Government against these locations.

I should like to say in this connection that I have not examined it particularly, so as to speak of my knowledge, but I am informed that these locations were made by petitions obtained, some of them, in the stockyards in Chicago, and then the locations were made in their name, involving millions and millions of dollars of these oil lands. The Government afterwards went to the stockyards and asked these parties if they knew anything about the locations, and I am informed that some of them said that they thought they were signing petitions required by the election law, and they knew nothing about it—that their names were used for these parties to locate lands in the oil reserves.

The Government, as far as its Navy Department is concerned, has never asked to take from or to add one right that these parties have under the Pickett Act. The Navy Department has asked for no legislation to change the law. These people came here and had the Pickett Act passed to give relief, and it gave no more than they are entitled to under the mining law, as I understand it. They accepted that. The Government stands on that. It does not desire to change it. Every right under the Pickett law these people will have. Now an effort is made to change that law to make good these fraudulent entries, as we conceive them to be, to eliminate the necessity of the continuous prosecution of the work. It is the change of the law and the change of title, giving these people what they are not entitled to, that the Navy Department has always opposed and objected to.

They think everything anyone is entitled to under the Pickett law, under the law passed as a compromise, accepted by Congress and these parties, they ought to have, but they can see no reason why the law should be changed to benefit a few people when they have not changed it to benefit thousands and thousands of miners and operators in other cases.

Now, as to the other purpose of the Navy Department, I desire to make this distinction. The Senator from Nevada [Mr.

PITTMAN] has usually antagonized these bills, because he has taken the ground the Navy contended, that these lands were being exhausted, and consequently if the Government withdraws its title it would lose all interest. The mines can not be closed up, it is true. These oil wells can not be closed up. Water will seep in these and destroy them. There are about 250 wells open. We tried to get a compromise at one time to let the people have the wells that were open, but that attempted compromise fell through.

Now, the Government comes in and says it desires to condemn this land, to let this naval reserve be set aside absolutely and entirely for the purposes of the Navy, treating everybody equitably and legally in regard to what they have, not adding to their right or subtracting from their right, under the law, and let the Government continue to run these wells and use the oil for the Navy, the Navy to dispose of it; but it does not desire any more wells opened in this naval reserve, because the ships of the Navy now being built are to be operated by oil, and if anything should occur in ten, twenty, or a hundred years, having great battleships, we should not leave it to conjecture, but give the Navy Department a right to condemn these lands and hold them as a reserve for the Navy.

Mr. KELLOGG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Minnesota?

Mr. KING. I yield to the Senator for a few questions, but not for a speech in reply to the Senator from Virginia.

Mr. KELLOGG. I do not wish to make any speech in reply. I do not know enough about the subject.

I should like to ask the Senator from Virginia if it is not a fact that the oil now in stock in this country is not decreasing with alarming rapidity, and whether the Navy Department is doing anything to procure from its reserves a supply of oil for the Navy? I think I asked the Secretary of the Navy if any possible emergency in this country greater than the one now facing the American people was liable to happen in 15 or 20 years. I should like to know from the acting chairman of the Naval Committee whether the Government is taking any steps to procure oil from the naval reserves in this country?

Mr. SWANSON. These two hundred and fifty-odd wells that were open are still being used, and all the oil is extracted from them that it is possible to extract. The Navy Department has not authority, and Congress has not given it authority, to operate, sell, refine, or to seize these lands with a view of operation. The purpose now of the Navy Department, as I understand it in my conversation with the Secretary of the Navy, is that he desires, even where people have title, where patents have been issued to some people in this naval reserve and some patents to railroads, that the reserve should be set aside for the Navy. He desires to have the power to condemn this land and let the wells, machinery, and everything belong to the Government precisely as we condemn other property for public use. At the same time he wishes to have authority to open wells, to get oil, to refine oil, and to conserve it for what is conceived to be the best interest of the Navy now and the best interest of the Navy for the future.

Mr. KELLOGG. Mr. President—

Mr. KING. I yield to the Senator from Minnesota.

Mr. KELLOGG. I should like to know if the Secretary of the Navy or the acting chairman of the Naval Committee has asked that legislation of Congress, because it does seem to be of vital importance that we should know whether we are going to get an oil supply during this war.

Mr. SWANSON. I will say to the Senator that the Attorney General and the Secretary of the Navy and myself on the 1st of January had a conference in regard to preparing a bill to carry out these purposes. The bill was prepared. The bill gives authority to the President, like the other measures that have been passed. I did not feel that I ought to be called on to introduce a bill giving authority to the President to fix prices, to settle suits, to isolate this as a naval reserve, until I had consulted the President. I never like to ask the Secretary of the Navy to be given authority until I see whether it is agreeable, or the Attorney General or any other department of our Government. I have not had an opportunity to see the President to ascertain if it would be agreeable to him to have the authority conferred on him in regard to these naval lands such as was given to commandeer steel, iron, and other products necessary for the Navy and to condemn private lands for public use. I hope to be able to see the President in a few days, and to see the Secretary of the Interior and the gentlemen who are interested in this matter and see if we can not perfect legislation.

I have my views, and I should like to get the views of others before I introduce a bill, which I hope to introduce Monday or Tuesday—possibly to-morrow—in which this authority is given.

I will say for myself that I think the law in this case should be the same as it is in all other similar cases. These people should not be deprived of any right that other people are given, and they should not be given any greater right than is given any other people. I believe when the Government condemns this land it ought to treat these people precisely as justly as it treats all the parties who have rights when the Government exercises the right of eminent domain.

Mr. KELLOGG. I will say to the Senator from Virginia—

Mr. KING. I yield to the Senator from Minnesota.

Mr. KELLOGG. I beg the Senator's pardon for taking his time.

Mr. KING. I am very glad to yield to the Senator.

Mr. KELLOGG. I will say to the Senator from Virginia I was not asking the question bearing on any discussion as to the merits of litigation in the reserves, but there was testimony before the Public Lands Committee last spring, which was undisputed, showing the imperative necessity to procure a greater supply of oil in order to make this country safe, and there was testimony as to the danger of losing a supply of oil that the allied nations to-day are depending on. So far as I heard at that time no steps whatever were taken by the Government to procure oil for immediate use. I am very glad the Senator is taking steps to see that the naval reserves belonging to the Government can be utilized.

Mr. SWANSON. If the Senator from Utah will permit me, these wells, I understand from my information, which I suppose is the same as other Senators have received, are still running. There are more than 250 wells open and disposed of, but the Government desires to have an opportunity to open as it sees proper for the benefit of the Navy these reserves set aside for the Navy.

Mr. KING. Mr. President, I do not care to enter upon a discussion of the wisdom or expediency of the legislation proposed by the Senator from Virginia. I know he has been zealous in the advocacy of those measures which have resulted in bringing our Navy to such a high state of efficiency. I congratulate him and the country for the splendid services rendered by him in behalf of this important branch of our national defense. And I wish to say, in passing, that I congratulate the country upon the most excellent work performed by the present Secretary of the Navy. When the history of his administration shall have been written I have no doubt but that it will be said of him that he was a strong and able public servant. Indeed, in my opinion, he is one of the greatest Secretaries of the Navy our country has ever had. However, this commendation, to which he is so justly entitled, does not excuse his department for the usurpations of which I am complaining. I can well understand the solicitude of the Navy Department which prompts those in control of the same to secure an adequate fuel supply for our ships. There may be some difference of opinion as to the best method of securing this supply. There will be many who will take the view that the Government can not successfully engage in the mining business; that it can secure the necessary oil for its use through private instrumentalities. We all know that the efforts of the Government to carry on business enterprises results in greatly increased costs. It has been stated by those having full opportunities to know the facts that the administration of the departments of the Government if in the hands of private persons would result in a saving of \$300,000,000 per annum.

When the Government attempts to sink wells to prospect for oil, drill wells, lay pipe lines, construct receptacles for oil, erect refineries, and perform the necessary work incident to oil production, it will be found that the expenses will be staggering. I do not propose at this time to discuss the feasibility or the wisdom of the proposed policy to condemn oil lands owned and claimed by private individuals. I suggest to the distinguished Senator from Virginia that in executing a law of that character he and the Government will encounter many obstacles, difficulties, and complications not now anticipated. It has been stated by the Senator from Virginia, as I recall and by Government officials, that the lands which it is proposed to condemn are worth millions of dollars. In exercising the right of eminent domain the Government will discover difficulties in finding an acceptable basis for the ascertainment of the value of the property sought to be condemned. I suggest to the Navy Department and to the Senator from Virginia that careful consideration be given this proposed legislation before it is introduced and before it becomes a law.

It is not a sufficient answer to the objections which I am urging against this bill for the Senator from Virginia to aver that certain oil claims were fraudulently located. I have no knowledge of the matters to which he refers, other than as stated in the report accompanying this bill and in the decisions of the



courts which I have recently examined. That there have been some entries made that were tainted with fraud and indeed were fraudulently made may be true. No one is seeking to defend any entry that is invalid or the claim of any individual or corporation that is founded in fraud. I know that the committee reporting this bill would as quickly condemn fraudulent entries as would the Senator from Virginia. It is apparent from an examination of the report and the bill under consideration that the committee have attempted to protect certain oil claims that were made in good faith and rest in sound morals.

But the point I am attempting to make is this, that the committee and the courts recognize that there are many valid oil locations; that the Interior Department has recognized their validity and has indicated "by clear listing" applications for patent; that the locators are entitled to muniments of title; but that, notwithstanding these facts, the Navy Department and the Department of Justice have brought numerous suits against these valid entrymen or their successors in interest to deprive them of their property and their rights; and Congress is now declining to assert its authority in the interest of justice and the protection of valid and legitimate claims.

I am protesting against the action of certain departments in their efforts to deprive individuals and corporations of property to which they are justly entitled.

I think the Senator from Virginia is mistaken when he alleges that the committee reporting the bill under consideration have attempted to give greater protection to oil locators than the present law affords them. The bill under consideration does not, as I understand it, attempt to validate invalid mining claims or to give them a different status from that which they now enjoy. I am sure the committee can be acquitted of any purpose to vitalize dead claims or to legitimize acts which were fraudulent. I have not in anything I have said urged a recognition of fraudulent claims. I am simply protesting against unwarranted usurpation by the departments and the manifest impropriety of the Navy Department in interfering with the legitimate functions of the Interior Department.

Sensors will recall that the Interior Department is charged with the administration of the public lands; that it has important functions to perform in the disposition of mineral as well as agricultural lands belonging to the Government.

Mr. SWANSON. Will the Senator permit me?

Mr. KING. Yes; I yield to my friend from Virginia.

Mr. SWANSON. Appropriations were made by Congress directing the Secretary of the Navy and the Attorney-General to defend the rights of the Government in these naval reserves. If they had not done that they would have been recreant in their duty. They have never insisted on any course except the course that the Interior Department should pass on the legal rights as they exist under existing law. We contend that section 16 changes existing law. We claim that it would validate a claim for entry provided the present claimant did not know it was a fraud. We have insisted that as the present law is, a man must buy land to make a proper and legal entry. It would be utterly impossible for the Government to prove in the cases of these dummy entries made by petitions circulated in the Chicago stockyards as to whether a party who signed knew it was a fraud or not. We want the law to stay as it is to-day. Let us administer justice and law as it is to-day, and do not change it. That is all the Navy Department and the Attorney-General have ever insisted upon. These cases that are contested courts are constituted to settle. They have never asked that these claims should be litigated anywhere except in the courts of the United States fixed by law to determine the rights between the Government and other parties.

Mr. KING. I do not think the Senator from Virginia in his last speech has enlightened us any or has added to the very clear statement which he made a few moments ago, and to the very lucid and forceful statement submitted by him when this measure was under consideration before the holiday recess. But certainly he has not justified the course of the Secretary of the Navy or the Attorney General in attempting to interfere with legislation by Congress in dealing with the public domain. It is that of which I complain. It is not the concern of the Attorney General or the Secretary of the Navy as to the character of legislation that shall be enacted by the Congress of the United States. The executive department has its sphere and the legislative branch of the Government has its legitimate sphere, and when the executive attempts to interfere with the legislative branch of the Government it is transcending its constitutional power.

I call the attention of my distinguished friend from Virginia to the fact that we have in the Interior Department a vigilant official. Perhaps no more vigilant official has ever occupied the position of Secretary of the Interior than Mr. Lane. Everyone

knows, particularly those of us who live in the West, that the Interior Department very carefully guards the interests of the Federal Government. Indeed, many of us think that it so scrupulously and minutely examines legitimate claims by the people of the West when they assert their rights under the law that grave injustice is often done and the development of the West greatly retarded.

The Secretary of the Interior has at his command a large number of officials. There are various bureaus and departments charged with the responsibility of investigating every claim that is made for patent. If a mining location is made, whether it be upon oil lands or upon metalliferous lands, and patent is sought, it is investigated by the Department of the Interior, by the Geological Survey Bureau, by the Forest Reserve, and by a multitude of employees of the Government. And before patent is issued the application has to pass the scrutiny of a multitude of lynx-eyed employees of the Government.

Now, as I understand the situation, a portion of the lands within this naval reserve have been examined by the Interior Department, the validity of the claims have been attested in unmistakable language and by numerous officials of the Government, and it was determined that the locators were entitled to patent, evidencing their muniment of title from the Federal Government.

The proceedings of the Interior Department were in the nature of judicial acts, for in the performance of this work the function of the Interior Department is quasi judicial at least, and is exclusive. That is, its jurisdiction in the matter is exclusive. Yet in the face of its determination, after numerous claims had been "clear listed" and the Interior Department had adjudged that the locators were entitled to patent, the Secretary of the Navy and the Attorney General instituted suits in the courts of the United States for the purpose of thwarting the work of the Interior Department and of invalidating claims the validity of which had been thus solemnly determined.

Mr. SWANSON. If the Senator will permit me, though I may be mistaken—

Mr. KING. I yield to the Senator.

Mr. SWANSON. I might be mistaken, for I am not so well acquainted with mineral law as the Senator from Utah and other western Senators, but I understand that where an application for a patent is pending suit can not be instituted, but it must be prosecuted before the Secretary of the Interior, but the cases where application is not made for a patent have been the cases where suits can be brought. Is that true?

Mr. PITTMAN rose.

Mr. KING. I yield to the Senator from Nevada, who has risen.

Mr. PITTMAN. The case referred to is the Honolulu Oil Co. case. The Department of the Interior held time and time again that the jurisdiction of the Department of the Interior was exclusive, and that no court had jurisdiction pending application proceedings.

Mr. SWANSON. Pending application for patent.

Mr. PITTMAN. The Attorney General of the United States apparently took a different view of it, because he instituted a suit against the Honolulu Oil Co. while the patent proceedings were pending, even after it had been clear listed for patent, and in an attempt to get jurisdiction of that matter he persuaded the President of the United States to write a letter to the Secretary of the Interior, which is a matter of record, asking the Secretary of the Interior to desist from further proceedings in the matter; and the Secretary of the Interior wrote to the Attorney General, which is in evidence in the hearings before the committee, stating that he would desist. The Attorney General then asked the Secretary of the Interior to authorize him, the Attorney General, to conduct further hearings, and the Secretary of the Interior told the Attorney General he did not desire any further hearings or any further facts; that he was satisfied. Subsequent to that time, in another case where a patent application was pending, the district court of California held that the court had no jurisdiction because the jurisdiction of the Land Office had taken effect upon the application for patent. That is the situation.

Mr. SWANSON. As I understand it, if there was fraud afterwards discovered, even after a patent is granted, a suit can be instituted to vacate the patent.

Mr. PITTMAN. Oh, yes; undoubtedly.

Mr. SWANSON. I understand that in the Honolulu case, the Attorney General told me the other day when we were talking about it, they have additional evidence which they are satisfied will invalidate the matter. They have asked for a rehearing, I understand, before the land commissioner in California, and the proof in that case will be conclusive.

Mr. PITTMAN. What has that to do with it?

Mr. SWANSON. It has this to do with it: If the Honolulu people have gotten a million dollars' worth of land to which they were not entitled and which shows a conspiracy and a combination to deprive the Government of it, we ought to be pleased that we have an Attorney General and a Secretary of the Interior to show it.

If it is a fraudulent patent, obtained by misrepresentation of fact, whether they procure a patent or not they have a right to have it vacated. The Attorney General, I think, has asked that the Honolulu case shall be reopened on a recent disclosure of facts which shows a state of affairs that ought not to be tolerated in Congress or anywhere.

Mr. PITTMAN. Mr. President—

Mr. KING. I yield to the Senator from Nevada.

Mr. PITTMAN. I rose to discuss the question of law, and the Senator from Virginia is constantly getting away from that question. What I want to suggest is this, that although the Attorney General for a long time contended that the courts had concurrent jurisdiction with the Department of the Interior in matters determining applications for patents in disposing of public land, he has changed his mind on that subject since the decision of the district court of California has held that it has no jurisdiction in the suit he instituted. If he had any additional facts that were not submitted to the Department of the Interior, he knows where the Department of the Interior is located.

Mr. SWANSON. I may be mistaken; I am not positive; but I understand he asked to have this case reopened. In reply to the Senator from Utah that it was his impression that the Attorney General and the Secretary of the Navy are bringing suits where applications for patents were clear and repeated, I contend now that they can not file an application for a patent pending in the Interior Department, because, as I understand, as the Senator from Nevada has said, that the action of the Interior Department is conclusive of the fact, and that the only way they can do it is to disclose what was not disclosed before.

Mr. KING. As I said before, the Secretary of the Interior, after applications for patents had been made with respect to some of the lands to which reference has been made, ordered the necessary investigation, and after this investigation was made the Interior Department clear listed these lands; that is, determined that the locators and applicants for patents were entitled to patent from the Government; and after several thousand acres of these lands had been clear listed by the Interior Department, which was an indication that the applicants for patents were entitled to have them issued, the Attorney General, at the request of the Secretary of the Navy, instituted suit for the purpose of ousting the owners from possession and placing the property in the hands of receivers.

Now, it is of that that I complain. I think it is an unwarranted usurpation upon the part of certain executive officers of the Government. I think it is treating with contumely and reproach the Interior Department that is charged with the high responsibility of issuing patents and of making the necessary preliminary investigation to determine whether patents should issue.

Mr. President, the Senator from Virginia called attention a few moments ago to some memoranda which, as I understood, had been placed in his hands by the Attorney General. It is not clear to me from his hasty reading of the same what the result of the litigation was; but, as I gathered from his reading of the memoranda, the Government had not prevailed finally in a single suit which it had brought. At any rate, one of the cases to which the Senator referred, and which it seems to me is a type of much of the litigation, was the case of the Consolidated Mutual Oil Co. against the United States. The Senator from Nevada asks me to read the decision. In view of the limited time for debate upon this bill I will read only a portion of the opinion. But I desire to call the attention of the Senate, and particularly the attention of my distinguished friend from Virginia, to the syllabus of this case. That illustrates the point, and it seems to me clearly establishes the infirmity of his argument and the erroneous position which has been assumed by the Secretary of the Navy and by the Attorney General. The syllabus is as follows:

An oil placer-mining claim, located on surveyed land by an association of eight persons, pursuant to Revised Statutes, paragraphs 2329-2333 (Comp. St., 1916, pars. 4628-4632), and covering a quarter section, constitutes a single claim, and under act February 12, 1903, chapter 548, Thirty-second Statutes, 825 (Comp. St., 1916, par. 4636), development work done on any one of a group of such claims not exceeding five lying contiguous and owned by the same person or association inures to the benefit of all where it tends to their development. The President's proclamation of September 27, 1909, withdrawing certain oil lands from entry provides that "all locations or claims existing and valid on this date may proceed to entry in the usual manner after field investigation and examination," and act June 25, 1910, chapters 421-422, Thirty-sixth Statutes, 847 (Comp. St., 1916, par. 4524), provides

that "the rights of any person who, at the date of any order of withdrawal heretofore or hereafter made, is a bona fide occupant or claimant of oil or gas bearing lands, and who at such date is in the diligent prosecution of work leading to the discovery of oil or gas, shall not be affected or impaired by such order so long as such occupant or claimant shall continue in diligent prosecution of said work." At the time of the withdrawal proclamation one of the defendants, who was the owner of four contiguous quarter section claims, was in possession of the same through his lessee, which was then diligently prosecuting the work of development, and had commenced a well on one claim and expended \$20,000 in preparations for drilling on each claim. This work was continued, and oil was found in paying quantities. In 1914 defendant entered and paid for the land, and there was issued to him a final receipt.

The court upon this state of facts held:

(1) That the exception in the President's proclamation in favor of existing and valid locations did not apply to claims on which oil had been discovered and to which the claimants therefore had an indefeasible equitable title, but applied to all locations to which the claimants had some valid right; (2) that the work done inured to the benefit of all of defendant's claims, and that under the facts he acquired a valid title which could not be questioned by the United States.

The Senator from Virginia has referred to one of the defendants, McLeod. As I understand, the Senator contends that his information is to the effect that the validity of the McLeod entry was denied, and the court held his entry to be fraudulent. The information of the Senator is incorrect. This decision discusses the Executive proclamation of President Taft, issued September 27, 1909, withdrawing certain oil lands from all forms of location, settlement, entry, or disposal, under the mineral or non-mineral public land laws. The court also construes what is also known as the Pickett Act, passed June 25, 1910, and holds that where locators diligently prosecuted work upon their claims after the proclamation of withdrawal, and discovered oil, that the act of withdrawal did not affect the validity of their location. Indeed, the court expressly decides that in such circumstances the location would be valid. The court refers to the case of *United States v. Grass Creek Oil & Gas Co.* (236 Fed., 481), wherein this language is employed:

It is claimed that actual drilling operations were not commenced until July 1, 1914, on the northwest quarter, and on July 31, 1914, on the east half of the southwest quarter, and that until the actual drilling was begun there was no prosecution of work within the meaning of the act of Congress. We are of the opinion that this is too narrow a view to take of this statute. The enactment of this proviso by Congress could have had but one object in view, and that was to protect the rights of all persons who, at the date of an order of withdrawal, are occupying or claiming oil-bearing lands in good faith, for the purpose of acquiring them under the laws of the United States, and are diligently prosecuting the work leading to the discovery of oil. Before the enactment of this statute discovery of the mineral was essential to make a location.

As frequently—in fact, in most instances—prospecting was necessary in order to determine whether oil or gas are on the public lands, and large sums of money were necessarily expended to ascertain this fact, Congress by this proviso in the act of 1910 extended its protecting arm to those acting in good faith in an effort to ascertain whether there was oil or gas under them. In our opinion, when a citizen of the United States in good faith enters upon public land for the purpose of discovering oil or gas, takes possession of the land by placing a caretaker thereon while he is taking proper steps to obtain the material necessary for the work of constructing the camps, enters into contracts for drilling, acting as expeditiously as possible in erecting camps and preparing for the drilling, spends money and enters into contracts whereby he becomes liable for sums of money to prosecute the work leading to the discovery of oil or gas, and as soon as it is possible, by the exercise of proper diligence, begins the work of drilling and continues it diligently and expeditiously until oil is discovered in commercial quantities, he is within the protection of this proviso.

The court also considers the question mentioned by the Senator from Virginia concerning the transfer by locators of their claims to other persons, and in this connection uses this language:

Moreover, Congress by its act of March 2, 1911 (36 Stat., 1015, c. 201 [Comp. St., 1916, sec. 4637], gave statutory recognition of the right of transfer or assignment by the locator, under the mining laws, of any land containing oil or gas to any qualified person, persons, or corporation "prior to discovery of oil or gas therein," provided "that such lands were not at the time of inception of development on or under such claim withdrawn from mineral entry."

Further discussing the facts in the case and the law governing the same, the court in the Consolidated case, just referred to, proceeds as follows:

But, over and above what has been said, the records show that upon due application to the Land Office of the United States the appellant McLeod was permitted to enter the lands here in question, for which he paid to the Government \$1,600, receiving therefor its register's final certificate of entry, issued October 31, 1914, which certificate it appears remains uncanceled, and concerning which the bills in these suits, filed, as above stated, October 25, 1915, are entirely silent. In speaking of a similar receipt issued to the Brick Co. in the case of *El Paso Brick Co. v. McKnight* (233 U. S., 257; 34 Sup. Ct., 498; 58 L. Ed., 943; L. R. A. 1915A, 1113) the Supreme Court said:

"The entry by the local land officer issuing the final receipt was in the nature of a judgment in rem (*Wight v. Dubois* [C. C.], 21 Fed., 693), and determined that the Brick Co.'s original locations were valid and that everything necessary to keep them in force, including the annual assessment work, had been done. It also adjudicated that no adverse claim existed and that the Brick Co. was entitled to a patent. From that date and until the entry was lawfully canceled the Brick Co. was in possession under an equitable title, and to be treated as 'though the patent had been delivered to' it. *Dahl v. Raunheim* (132 U. S., 260, 262 [10 Sup. Ct., 74; 33 L. Ed., 324]); and when McKnight



instituted possessory proceedings against the Brick Co. the latter was entitled to a judgment in its favor when it produced that final receipt as proof that it was entitled to a patent and to the corresponding right of an owner.

Not only has no attack, so far as appears, been made by the Government on the register's final certificate of entry, but there is in these cases not the slightest showing of any fraud or lack of good faith at any time on the part of the appellants or of any of their predecessors in interest. True, the bills of the Government, which were verified by an agent upon information and belief, alleged that the location notices under which the appellants claim were posted by "mere dummies" to enable "defendant McLeod or some one else" to obtain the land; but that allegation was put in issue by positive denial under oath and there was no undertaking whatever to sustain the charge. Among the affidavits filed in opposition to the appointment of receivers was one made by the president of the appellant company, stating as facts the following, which were uncontradicted:

"That the said Consolidated Mutual Oil Co. acquired and entered into possession of said properties in the month of February, 1914, and from that time forward this deponent has been the president of said corporation and has had active management of its affairs; \* \* \*

I commend this information to Senators who may not be familiar with the legislation relating to mineral lands. It is true, as stated by the Senator from Virginia, that Justice Gilbert dissented, but I submit that a careful examination of the majority and minority opinions will clearly demonstrate that the reason is with the majority of the court and that the minority opinion is unsound.

I might say in passing that the Supreme Court of the United States finally passed upon the act of the President in withdrawing these oil lands from entry. The majority opinion of the Supreme Court of the United States upheld the Executive proclamation. The minority opinion, in which three of the justices concurred, construes the question involved in a calm and judicial manner and reaches the conclusion that the President had no authority to withdraw the lands in question. The majority opinion proceeded upon the theory that for a century public lands had been withdrawn by Executive proclamation. The deduction seems to be that, though such acts were usurpations, time sanctified them and transmuted the wrong into a right.

It would seem that the right of disposal of the public lands of the United States belonged to Congress. Indeed, the Constitution of the United States commits to the National Legislature the power to dispose of and make all needful legislation concerning the public lands of the United States.

Mr. President, there can be no difference of opinion between the Senator from Virginia and myself with respect to entries upon these or any other public lands that were fraudulently made, but the question whether some of these entries were fraudulently made is not the paramount question involved in the consideration of this bill. Assuming that we are to overthrow the work of the fathers and destroy our mineral-land system and inaugurate a leasing policy, we are forced by the disclosures in connection with this bill to a consideration of certain methods pursued by the executive departments of the Government and are also called upon to determine the fair, just, and expedient method of dealing with the situation which confronts us. The Interior Department is charged with the responsibility of determining whether the locations are valid or invalid; it is its duty to issue patents if the locations are valid. It is the duty of the Interior Department to refuse consent to the institution of suits where its investigations have resulted in the conviction that the applicants for patents are entitled to the same. Those persons or corporations asserting rights within the lands in question should not be harassed by unjust and improvident litigation. It is apparent from the report made by the Senator from Nevada and from the decision of the court in the Consolidated Mutual Oil case that many of the suits brought by the Government will fail; that the receivers will be discharged; and that the courts will decree that the locations from which the present occupants have deranged title were valid.

Before resuming my seat I want to call the attention of the acting chairman of the committee to a number of provisions of this bill in order that I may have "light," which so many of the Senators here seem to be seeking. Inviting attention to the second section of the bill, this language is found:

SEC. 2. That any association composed of persons severally qualified by law to enter coal lands, or any corporation incorporated under and by virtue of the laws of any State, or any municipality of any State, shall, upon application to the register of the proper land office, have the right to enter by legal subdivisions any quantity of vacant coal lands of the United States within any State of the Union not otherwise appropriated or reserved by competent authority.

Mr. President, as I read this section, I can not find any individual, association, or corporation has a clear and positive right to purchase coal lands. The concluding part of the section, it seems to me, reserves the right to the Secretary of the Interior to determine whether or not a purchase shall be made. As I understood the Senator from Colorado [Mr. SHAFROTH], he was persuaded to vote for this bill, though he had fundamental ob-

jections to it, because it gave the right to the public to purchase coal lands and was not solely and exclusively a leasing bill.

Mr. SHAFROTH. Mr. President, I should like to call the attention of the Senator from Utah to section 2 of the bill.

Mr. KING. I have been reading from section 2.

Mr. SHAFROTH. Beginning in line 10 that section reads:

Within any State of the Union not otherwise appropriated—

Describing the character of the entry—

by competent authority, not exceeding 2,560 acres—

The word "reserved" is stricken out on an amendment which was made at the suggestion of the senior Senator from Utah [Mr. SMOOT]—

by competent authority, not exceeding 2,560 acres, upon payment to the receiver of not less than \$10 per acre for such lands where the same shall be situated more than 15 miles from any completed railroad, and not less than \$20 per acre for such lands as shall be within 15 miles of such railroad.

That is the law as it is to-day, almost word for word. The language continues:

And the Secretary of the Interior shall offer such coal lands and award the same through advertisement and competitive bidding, reserving the right to reject any and all bids which he may deem to be unfair.

It does seem to me that that being the provision and the initiation of the matter being dependent upon the citizen or association making the entry in the office of the land register, there can not be any doubt that if a person makes that entry it is bound to be submitted, and the price of land is to be determined at not less than \$10 in one instance nor less than \$20 an acre in another, dependent upon the distance from the railroad, and subject to the competitive bidding that will take place just exactly the same as is provided for competitive bidding on leases.

Mr. KING. In the first place, Mr. President, the elimination of the word "reserved" does not relieve the section from ambiguity. After eliminating the word "reserved," taking up the sentence in the middle, and not going to the beginning of it, we find these words:

Not otherwise appropriated by competent authority.

I am not clear what the meaning of that language is, but, as I read it, it means that if coal lands are within a reservation they have been "appropriated by competent authority." I know of no land that would answer to the words "otherwise appropriated by competent authority," except lands that are found within a reserve. If that be true, then this bill makes no provision for either the leasing or the purchase of any lands that are within reserves. If the words "not otherwise appropriated by competent authority" are broader than the word "reserved," then they are still more objectionable than they would be if you limit the meaning of the language to the word "reserved."

So, Mr. President, we start out with a proposition that no person can buy or lease lands that are within a reserve; that no person can buy or lease lands that have been "otherwise lawfully appropriated." It is obvious, under the decisions of the courts, that if the lands are within reserves they have been "lawfully appropriated"—that is, they have been withdrawn from entry, withdrawn from sale, they are not subject to location or subject to private entry.

Mr. SHAFROTH. Mr. President, will the Senator yield to me?

Mr. KING. I yield.

Mr. SHAFROTH. I have always felt that in drafting bills the very best course one could pursue would be to take a statute that has already been enacted and which had received the construction of the court as to its phraseology. Consequently, in drafting section 2 of this bill, I observed that rule, but I want to call attention to just exactly what is the law of 1873 in relation to coal land, which has been on the United States statute books ever since that time. It is the right of any entryman to enter coal lands. Here is the language, and every word of that act is still in force and permits a man to take up 160 acres of land.

Mr. KING. Before the Senator from Colorado reads the law to which he is just calling attention, I should like to ask him if it is not a fact that when that law was enacted there were few if any coal-land withdrawals?

Mr. SHAFROTH. Here is the situation: I will read the provision of the law. I do not know whether or not there had been withdrawals; but I think there had been, for the Supreme Court, in its decision, stated that it had been the custom of all Presidents to reserve land for certain purposes. Now, listen to the language of the act which has been on the statute books for years:

Every person above the age of 21 years, who is a citizen of the United States, or who has declared his intention to become such, or any association of persons severally qualified as above, shall, upon

application to the register of the proper land office, have the right to enter, by legal subdivisions, any quantity of vacant coal lands of the United States not otherwise appropriated or reserved by competent authority.

Those are the exact words of the statute, and I put those precise words into section 2. Under the existing law there has been no trouble about taking up land. The difficulty arose in the policy which was attempted to be pursued about 15 years ago of forcing a leasing system, and while the land was reserved temporarily, as a matter of fact it was held permanently by reclassification, fixing the price on the land so high that nobody would take it up.

The senior Senator from Utah [Mr. SMOOT] said that the word "reserved" would perhaps prevent location on any of the lands that had been reserved, and so we have stricken that out, leaving the language identical with the language under which we have operated now for 44 years. When we have a statute which has stood that long and there has been no attempt, except indirectly, to evade it, under which it has been made clear that the land could be taken up, and which has met the construction of the courts, it seems to me it is safer to adopt the language of the statute than to employ new verbiage.

Mr. KING. Mr. President, the Senator from Colorado, who is an exceedingly able lawyer and is perhaps as familiar, if not more familiar, with Western conditions than any other man in the Senate or in public life, has not answered the criticism which I made. It is not a sufficient answer, when we are legislating now in respect to the coal lands of the United States for the purpose of opening them up either through sale or lease, to reply that there was a statute enacted many years ago which provided that coal lands should be subject to private entry unless they "were otherwise appropriated." The Senator knows that 45,000,000 or 50,000,000 or more acres of coal land in the Western States have been withdrawn from entry under Executive proclamation, and that such lands are not subject to entry.

Mr. SHAFROTH. Mr. President, the Senator is right in saying that they were at one time reserves; but the wording of the act under which they were reserved provided that the President should have the authority temporarily to reserve them. Under that act the Interior Department about 15 years ago, realizing that it would look unseemly for reserves made under such a temporary authority to last for a great period of time, concluded that the only way they could produce the same effect would be by putting a price upon the lands at which nobody would buy them, but under which probably somebody might lease them. For that reason, I have no doubt that lands in the State of the Senator from Utah are valued probably from \$50 to \$400 an acre, which prevents their development, because nobody will give such a price for the land, and nobody can afford to do so and make money. So I say the lands are not in reserves now, because they have avoided keeping them in reserves, while at the same time producing the effect of keeping them in reserves. An individual can make an entry of any coal land in the United States to-day if he is willing to pay the price which has been fixed over and above the \$10 and the \$20 an acre, as provided in the act, and it has been done several times.

Mr. KING. I should like to ask the Senator from Colorado, before he resumes his seat, if it is not a fact that there are still millions of acres of coal lands not classified and which are within reservations or withdrawals, resulting from Executive orders?

Mr. SHAFROTH. I do not know definitely; I think most of it is classified, especially most of it that is near railroads. It may be that in the interior of some of the Western States, where it has been difficult for surveyors to go and where the lands are not desirable, even at \$10 an acre, because the transportation is not there to carry the coal to market, there is some coal land that has not been classified, but I think there is a sweeping order making all of those lands open to entry at the minimum price fixed in the statute.

Mr. KING. My understanding is somewhat different from that of the Senator from Colorado. I believe that there are still large areas of coal lands covered by Executive orders and which are therefore held not to be subject to private entry.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nevada?

Mr. KING. I yield to the Senator from Nevada.

Mr. PITTMAN. I want to call attention to the amendment on page 30. The copy of the bill the Senator has may not show it, but it is an amendment which has been adopted by the Senate. On line 6, page 30, after the word "lands," the following language has been inserted: "Heretofore withdrawn from entry, except

those reserved for the Navy, shall be subject to this act, and none of such lands," so as to read:

*Provided, That coal, oil, gas, potassium, or sodium lands heretofore withdrawn from entry, except those reserved for the Navy, shall be subject to this act, and none of such lands shall hereafter be withdrawn from the operation of this act for a longer period than one year without the consent of Congress.*

Mr. KING. Mr. President, I think that amendment, if I understand the Senator from Nevada, would meet the particular objection which I am now urging.

Mr. PITTMAN. That amendment has been adopted.

Mr. KING. I was unaware of that fact.

Mr. PITTMAN. It is in the general provisions of the bill.

Mr. KING. With that understanding, I shall not further discuss that feature of the section; but, answering further the position of the Senator from Colorado, I call attention to this language in section 2:

And the Secretary of the Interior shall offer such coal lands and award the same through advertisement and competitive bidding, reserving the right to reject any and all bids which he may deem unfair.

Mr. SMITH of Arizona. Mr. President, is that not an absolute perpetual reservation, if the Secretary of the Interior sees fit to make it so by setting a price at which no one will take the land?

Mr. KING. That is exactly the point that I was about to make. It gives the Secretary of the Interior unlimited authority and power. He is to determine what is fair and what is unfair; no price is stated below which it would be unfair and no standard suggested by which to determine what price would be fair.

Mr. SMITH of Arizona. Or reasonable or unreasonable.

Mr. KING. One Secretary of the Interior might say that \$100 per acre was a fair price, while another Secretary might say that a thousand dollars was a fair price. It is left entirely within the discretion of the Secretary of the Interior to award a lease or to award a sale.

Mr. SHAFROTH. Mr. President, I, of course, recognize the fact that it has never been considered wise to make every attempted sale binding and legal, because there may arise questions in connection with the manner in which the advertisements were published, or fraud may have been perpetrated in securing combinations among bidders, and in various other ways. There must be something left to the man who has this trust in charge so as to avoid fraud on the Government. That is the reason that provision was put in. It may be that some officer would violate his oath of office, and that some officer might say, "I will not sell these lands; it would be unfair to do so unless they bring \$500 an acre"; but we have to impute good faith to the officers of the Government; we can not say that an officer is going to deprive a person of the right to buy this land when there is a fair competition, when there are a number of persons present, when everybody has an opportunity to bid, and where the advertisement has been sufficient.

Mr. KING. Let me ask the Senator from Colorado if it is not a fact that the Interior Department has now, as the Senator intimated a few moments ago, placed prices upon coal lands so high that their purchase has been made impossible?

Mr. SHAFROTH. I do not know whether it was the Secretary of the Interior or the Secretary of Agriculture, but under one or the other the matter was placed under the influence of the former Chief of the Forestry Bureau, and these high prices resulted, so that we have had, I think, only three or four thousand acres of coal lands taken up in a great number of years.

Mr. KING. If the Senator will permit me, the prices already fixed by the Government officials have been unfair, have they not, because they have prevented entry, purchase, and sale?

Mr. SHAFROTH. Yes; but I understand that prices have been changed and that there have been reductions in a number of instances in the value placed upon coal land. It seems to me, in legislating here, it is necessary to leave some things to the discretion of the Secretary of the Interior in order to prevent frauds on the Government. That is my idea.

Mr. SMITH of Arizona. Will the Senator permit me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Arizona?

Mr. KING. I yield to the Senator from Arizona.

Mr. SMITH of Arizona. Might it not be possible under this provision for some Secretary to say, "Any kind of transfer of coal lands to private individuals is absolutely a danger to the Government and to the interests of the common people, and therefore"

Mr. KING. And that no bid is fair—

Mr. SMITH of Arizona. "And therefore I will set a price at which nobody can afford to take the lands"? It is just as



reasonable to suppose that that condition may happen as it is to suppose that we will always have a reasonable Secretary who will fix a reasonable price.

Mr. SHAFROTH. I would rather, especially after the experience we have had, when no coal development has taken place, risk a decision as to what is fair and what is right to the Secretary of the Interior. He can, of course, relieve himself from any criticism by saying that he put the land up at public auction and it brought a price which persons were willing to pay for it. But it can readily be seen that severe criticism could be made of this bill if we did not have a clause in it of that kind. Men may combine and agree not to bid against each other in order to get the land at \$20 or \$10 an acre; it may be that some person might stand on the outside and divert the crowd and say, "Do not come in; it is all over; the land is all gone; go home." That would produce an unfair price. So frauds might be perpetrated; and if the Secretary of the Interior were compelled to issue a deed or patent to such lands it would be very unfair to the Government. For that reason this discretion is left to him; but it is not unlimited; it is placed in him to be exercised when he deems the price unfair.

Mr. SMITH of Arizona. Mr. President, does that not bring the Senator back to the old position that he and I have held, as I understand, through the many years of our public life, that all this governmental control, all this leasing system, all this selling system, only militates against the development of the great resources of our western country? And does it not come at last to the point that whenever you hamper it by the suggestion just made, the open bid, and confer on the Secretary the right to say whether it is fair or not—and in the very nature of things he can not know any more about it than I can—you make the devolution of the public lands and the development of our country dependent on the mere whim of anybody, instead of letting things alone, like they used to be, when a man could go out and take possession of the public domain under honest laws and develop our country as for the last 50 years only it has been developed?

Mr. SHAFROTH. Mr. President, I will say to the Senator that I have always been opposed to the leasing system. I think it never will be productive of development in the West. I predicted that no lease would be taken out in Alaska, although we debated that question here for two weeks, and the prediction was freely made by Senators from the Western States that there would not be a lease taken out in Alaska. There has not been, and it is because capital will not invest money on a lease that may be forfeited. That is the reason, and it is conclusive.

Mr. SMITH of Arizona. Yes; that is true.

Mr. SHAFROTH. It seems to me it is for that reason that people are now beginning to realize that we will not have any development without permitting these sales; but you have got to have some safeguard in regard to the sales, and for that reason I think that this one, which gives the Secretary the power to say that a sale that is unfair shall not take place, is a proper expression to prevent frauds against the Government.

Mr. KING. Mr. President, the answer of the Senator from Colorado merely illustrates the difficulty that we encounter in legislating along the lines presented in this bill. When we depart from the system which has been in vogue for many years, and to which the Senator from Arizona has just referred, and which has been productive of good, and has developed not only the West but the entire country, and inaugurate a leasing, paternalistic, bureaucratic system and policy, such as is provided in this measure, we are going to encounter more difficulties and complications than we could anticipate even if we had broader vision than my distinguished friend from Colorado.

Mr. SHAFROTH. Mr. President, I quite agree with the Senator from Utah that there will be great complications if it is attempted to force through this leasing system. I am satisfied of that, and I am satisfied that we will not get development under any such circumstances; but I am putting up the test that I am so confident that there will not be any leasing that I am willing to risk the question in order to get these lands developed. Here we have been in this condition for 15 years, without any development, and the result has been that it has caused a monopoly in the coal companies that already own fee simple title to their coal lands. That being the case, we have got to risk something, and we have got to risk the good faith of the people of the country to administer the act.

Mr. KING. Mr. President, the honesty of the Senator from Colorado and the Senator from Nevada having this bill in charge, their broad and ripe experience, their well-known devotion to the West, and the knowledge we all have that they would do nothing that they did not conceive to be best under all the circumstances, almost persuade me to vote for this bill; yet I find so many objections to it that notwithstanding my pro-

found respect and affection for the Senators just mentioned I can not bring myself to support it.

I have said all that I care to say, Mr. President, about the particular point that engaged our attention a moment ago. I merely repeat that the provisions of this section make it impossible, as a right that can be enforced in the courts, for any man to locate upon and obtain title to coal lands. The Secretary of the Interior has the power and the authority to prevent the sale of any land; and if he conceives a bid which has been offered to be too low he will then refuse to sell, and no man can go into court and compel him to exercise that discretion and sell the land to him.

There is one other objection to this section, Mr. President, and that is this:

Even if it be conceded that there is a right which might be enforced in the courts to compel the giving of a deed upon the tender of the bid, the land is to be advertised for sale and subjected to a competitive bidding system. What is the result? Only the corporation or individual of wealth can purchase. The poor man or the man of limited means can not acquire coal lands. Thus monopoly is fostered. Moreover, the greater price paid for the land the higher the price demanded from the public for the coal sold. The more a person has to pay for the coal lands which he acquires from the Government, the more difficult it is to get capital with which to purchase, the more difficult it is for him to put the mine in operation, and the higher price he has to charge for coal.

I think the policy of the Government, for a number of years at least, has been not to make money out of the sale of the public lands. It is true that many years ago, particularly in the days of Henry Clay, one of the great political parties of our Nation promulgated a platform the particular feature of which was that the public lands should be sold and that the proceeds derived from the sale of the lands should be divided among the States.

It was anticipated that millions would be derived from the sale of the public domain and that the States and the Government would derive great financial returns therefrom. But the American people repudiated that view; the public lands were no longer regarded as a source of revenue, but the public were encouraged to occupy and develop them, practically without charge.

Now we are reversing the modern policy of handling the public domain, and apparently the purpose is to make revenue and profit out of the public domain. I think it is unwise. I think it is unfair. I think the policy will not be approved by the American people.

Mr. President, I can not conclude the criticisms that I desire to offer to this bill within the next few moments. I think the desire of a number of Senators is to go into executive session before adjournment. I shall therefore yield the floor, with the intention of resuming to-morrow.

#### EXECUTIVE SESSION.

Mr. SMITH of Arizona. I move that the Senate proceed to the consideration of executive business, for the purpose of referring to the committees the nominations that have come in.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

#### DEATH OF REPRESENTATIVE BATHRICK, OF OHIO.

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). The Chair lays before the Senate resolutions from the House of Representatives on the death of Hon. ELLSWORTH R. BATHRICK, late a Representative from the State of Ohio, which will be read.

The Secretary read the resolutions, as follows:

*Resolved*, That the House has heard with profound sorrow of the death of Hon. ELLSWORTH R. BATHRICK, late a Representative from the State of Ohio.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Mr. POMERENE. Mr. President, I offer the following resolutions and ask that they be read.

The resolutions were read, considered by unanimous consent, and unanimously agreed to, as follows:

#### Senate resolution 176.

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. ELLSWORTH R. BATHRICK, late a Representative from the State of Ohio.

*Resolved*, That the Secretary communicate a copy of these resolutions to the House of Representatives and to the family of the deceased.

Mr. POMERENE. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate do now adjourn.

The motion was unanimously agreed to; and (at 4 o'clock and 40 minutes p. m.) the Senate adjourned until to-morrow, Saturday, January 5, 1918, at 12 o'clock meridian.

### NOMINATIONS.

*Executive nominations received by the Senate January 4, 1918.*

#### COLLECTORS OF CUSTOMS.

Presley Stockton Ray, of Louisville, Ky., to be collector of customs in customs collection district No. 42, with headquarters at Louisville, Ky., in place of Warner S. Kinkaid, deceased.

Charles E. Hardy, of Nogales, Ariz., to be collector of customs for customs collection district No. 26, with headquarters at Nogales, Ariz. (Reappointment.)

#### COLLECTOR OF INTERNAL REVENUE.

Howard Hathaway, of Everett, Wash., to be collector of internal revenue for the district of Hawaii, in place of John F. Haley, deceased.

Mr. Hathaway is serving under a temporary commission issued during the recess of the Senate.

#### REGISTERS OF LAND OFFICE.

Mrs. Mary Wolfe Dargin, of Colorado, to be register of the land office at Denver, Colo., her term having expired December 21, 1917. (Reappointment.)

Alvah G. Swindlehurst, of Minnesota, to be register of the land office at Cass Lake, Minn. His present term expired December 21, 1917. (Reappointment.)

William F. Cummins, of Mississippi, to be register of the land office at Jackson, Miss. His present term expired December 22, 1917. (Reappointment.)

Alex Nisbet, of Wyoming, to be register of the land office at Evanston, Wyo., his present term expiring January 24, 1918. (Reappointment.)

#### RECEIVERS OF PUBLIC MONEYS.

Fred A. King, of Minnesota, to be receiver of public moneys at Cass Lake, Minn. His present term expired December 21, 1917. (Reappointment.)

H. Clay Sharkey, of Mississippi, to be receiver of public moneys at Jackson, Miss. His present term expired December 22, 1917. (Reappointment.)

George I. Smith, of Oregon, to be receiver of public moneys at Portland, Oreg., his present term expiring January 30, 1918. (Reappointment.)

Richard R. Turner, of Oregon, to be receiver of public moneys at Roseburg, Oreg., his present term expiring January 30, 1918. (Reappointment.)

James P. Folger, of Wyoming, to be receiver of public moneys at Evanston, Wyo., his present term expiring January 14, 1918. (Reappointment.)

#### APPOINTMENTS IN THE ARMY.

##### GENERAL OFFICERS.

Brig. Gen. Peyton C. March (major general, National Army), to be major general in the Regular Army, from September 23, 1917, vice Maj. Gen. Hugh L. Scott, retired from active service September 22, 1917.

Brig. Gen. Edwin B. Babbitt, Ordnance Department, National Army, to be brigadier general in the Regular Army, vice Brig. Gen. Peyton C. March, nominated for appointment as major general.

#### PROVISIONAL APPOINTMENT IN THE ARMY.

##### COAST ARTILLERY CORPS.

*To be second lieutenant with rank from October 26, 1917.*

Harold Stačey Macomber, of Illinois.

##### TEMPORARY PROMOTIONS IN THE ARMY.

##### JUDGE ADVOCATE GENERAL'S DEPARTMENT.

*To be lieutenant colonels with rank from August 5, 1917.*

Maj. Dennis P. Quinlan, judge advocate, vice Lieut. Col. Samuel T. Ansell, appointed brigadier general in the National Army.

Maj. Gouverneur V. Packer, judge advocate, vice Lieut. Col. Walter A. Bethel, appointed brigadier general in the National Army.

##### QUARTERMASTER CORPS.

##### *To be colonels.*

Lieut. Col. Alexander M. Davis, Quartermaster Corps, with rank from October 5, 1917, vice Col. David L. Brainard, appointed brigadier general in the National Army.

Lieut. Col. Richmond McA. Schofield, Quartermaster Corps, with rank from October 5, 1917, vice Col. Chauncey B. Baker, appointed brigadier general in the National Army.

Lieut. Col. Robert S. Smith, Quartermaster Corps, with rank from October 8, 1917, vice Col. Harry L. Rogers, appointed brigadier general in the National Army.

Lieut. Col. Arthur W. Yates, Quartermaster Corps, with rank from October 9, 1917, vice Col. Isaac W. Littell, appointed brigadier general in the National Army.

##### *To be lieutenant colonels.*

Maj. Morton J. Henry, Quartermaster Corps, with rank from October 5, 1917, vice Lieut. Col. Alexander M. Davis, promoted.

Maj. William Elliott, Quartermaster Corps, with rank from October 5, 1917, vice Lieut. Col. Richmond McA. Schofield, promoted.

Maj. James A. Logan, jr., Quartermaster Corps, with rank from October 8, 1917, vice Lieut. Col. Robert S. Smith, promoted.

Maj. Salmon F. Dutton, Quartermaster Corps, with rank from October 9, 1917, vice Lieut. Col. Arthur W. Yates, promoted.

##### MEDICAL CORPS.

*To be colonels with rank from August 5, 1917.*

Lieut. Col. Louis T. Hess, Medical Corps, vice Col. Alfred E. Bradley, appointed brigadier general in the National Army.

Lieut. Col. Christopher C. Collins, Medical Corps, vice Col. Charles Richard, appointed brigadier general in the National Army.

Lieut. Col. Benjamin J. Edger, jr., Medical Corps, vice Col. William H. Arthur, appointed brigadier general in the National Army.

Lieut. Col. Samuel M. Waterhouse, Medical Corps, vice Col. Henry P. Birmingham, appointed brigadier general in the National Army.

*To be lieutenant colonels with rank from August 5, 1917.*

Maj. James D. Heysinger, Medical Corps, vice Lieut. Col. Elbert E. Persons, appointed colonel in the Ambulance Corps.

Maj. Lloyd L. Smith, Medical Corps, vice Lieut. Col. Charles C. Billingslea, who died August 16, 1917.

Maj. John B. Huggins, Medical Corps, vice Lieut. Col. Henry S. Greenleaf, promoted.

Maj. William H. Tefft, Medical Corps, vice Lieut. Col. Robert B. Grubbs, retired.

Maj. Llewellyn P. Williamson, Medical Corps, vice Lieut. Col. Louis T. Hess, promoted.

Maj. William R. Davis, Medical Corps, vice Lieut. Col. Llewellyn P. Williamson, retained in the General Staff Corps.

Maj. Leartus J. Owen, Medical Corps, vice Lieut. Col. Christopher C. Collins, promoted.

Maj. Robert M. Culler, Medical Corps, vice Lieut. Col. Benjamin J. Edger, jr., promoted.

Maj. Frank W. Weed, Medical Corps, vice Lieut. Col. Samuel M. Waterhouse, promoted.

##### ORDNANCE DEPARTMENT.

*To be colonels with rank from August 5, 1917.*

Lieut. Col. Kenneth Morton, Ordnance Department, vice Col. Edwin B. Babbitt, appointed brigadier general in the National Army.

Lieut. Col. Samuel Hof, Ordnance Department, vice Col. Charles B. Wheeler, appointed brigadier general in the National Army.

##### SIGNAL CORPS.

*To be colonels with rank from August 5, 1917.*

Lieut. Col. Daniel J. Carr, Signal Corps, vice Col. Charles McK. Saltzman, appointed brigadier general in the National Army.

Lieut. Col. Leonard D. Wildman, Signal Corps, vice Col. Edgar Russel, appointed brigadier general in the National Army.

*To be lieutenant colonel with rank from August 5, 1917.*

Maj. Alfred T. Clifton, Signal Corps, vice Lieut. Col. Daniel J. Carr, promoted.

#### APPOINTMENTS IN THE NATIONAL ARMY.

##### GENERAL OFFICERS.

*To be major generals with rank from December 17, 1917.*

Brig. Gen. William C. Langfitt, National Army.

Brig. Gen. John E. McMahon, National Army.

Brig. Gen. William G. Haan, National Army.

*To be brigadier generals with rank from December 17, 1917.*

Col. John B. McDonald, Cavalry (Inspector General's Department).

Col. Edward A. Millar, Field Artillery.

Col. DeRosey C. Cabell, Cavalry.

Col. Thomas H. Rees, Corps of Engineers.

Col. George W. Gatchell, Coast Artillery Corps.

Col. P. D. Lochridge, Cavalry (General Staff Corps).

Col. Nathaniel F. McClure, Cavalry.



Col. Peter C. Harris, Infantry (Adjutant General's Department).

Col. Munroe McFarland, Infantry (General Staff Corps).

Col. William R. Sample, Infantry.

Col. Eli A. Helmick, Infantry (Inspector General's Department).

Col. John S. Winn, Cavalry (Inspector General's Department).

Col. Robert L. Howze, Cavalry (General Staff Corps).

Col. Clement A. F. Flagler, Corps of Engineers.

Col. Charles D. Rhodes, Cavalry.

Col. William W. Harts, Corps of Engineers.

Col. Charles Crawford, Infantry.

Col. William S. Graves, Infantry (General Staff Corps).

Col. Frank D. Webster, Infantry.

Col. Joseph D. Leitch, Infantry.

Col. Robert Alexander, Infantry.

Col. William C. Davis, Coast Artillery Corps.

Col. Francis C. Marshall, Cavalry.

Col. Edgar Jadwin, Engineers, National Army.

Col. James A. Ryan, Cavalry.

Col. Fred W. Slayden, Infantry (General Staff Corps).

Col. Harry H. Bandholtz, Infantry, National Army.

Col. Peter Murray, Infantry.

Col. Paul A. Wolf, Infantry.

Col. Tiemann N. Horn, Field Artillery.

Col. Palmer E. Pierce, Infantry (General Staff Corps).

Col. William Chamberlaine, Coast Artillery Corps.

#### PROMOTIONS IN THE COAST GUARD.

Capt. John Cassin Cantwell to be a senior captain in the Coast Guard of the United States, to rank as such from October 3, 1917, in place of Senior Capt. Howard Emery, retired.

First Lieut. William Joseph Wheeler to be a captain in the Coast Guard of the United States, to rank as such from October 3, 1917, in place of Capt. John C. Cantwell, promoted.

Second Lieut. Thomas Andrew Shanley to be a first lieutenant in the Coast Guard of the United States, to rank as such from October 3, 1917, in place of First Lieut. William J. Wheeler, promoted.

Third Lieut. Frank Joseph Gorman to be a second lieutenant in the Coast Guard of the United States, to rank as such from October 3, 1917, in place of Second Lieut. Thomas A. Shanley, promoted.

#### APPOINTMENTS AND PROMOTIONS IN THE NAVY.

Rear Admiral Robert S. Griffin to be engineer in chief and Chief of the Bureau of Steam Engineering, in the Department of the Navy, with the rank of rear admiral, for a period of four years.

The following-named captains to be rear admirals in the Navy, for temporary service, from the 15th day of October, 1917:

Thomas W. Kinkaid (additional number),

William S. Smith (additional number),

Spencer S. Wood,

Joseph L. Jayne,

Charles W. Dyson (additional number),

Clarence S. Williams, and

John D. McDonald.

The following-named commanders to be captains in the Navy, for temporary service, from the 15th day of October, 1917:

Clark D. Stearns,

Robert K. Crank,

Henry B. Price,

Stephen V. Graham,

William P. Scott (additional number),

Joseph M. Reeves (additional number),

Roscoe C. Moody,

Frank Lyon (additional number).

John McLuby,

Hutch I. Cone,

Robert W. McNeely,

George E. Gelm,

Frank H. Brumby,

James P. Morton (additional number),

George L. P. Stone,

Harris Laning,

Franklin D. Karns,

David W. Todd,

John V. Klemann,

Henry V. Butler,

Walter R. Gherardi,

James J. Raby,

William H. Standley, and

Kenneth M. Bennett.

The following-named lieutenant commanders to be commanders in the Navy, for temporary service, from the 15th day of October, 1917:

Hilary Williams,

Fletcher L. Sheffield,

Louis Shane,

Henry C. Dinger (additional number),

Walter G. Roper,

Allen Buchanan,

Richard D. White,

Hollis T. Winston (additional number),

Frederick R. Naile,

Emil P. Svarz,

Herbert C. Cocke,

William V. Tomb,

Bayard T. Bulmer,

Lewis Cox,

Robert T. Menner,

Benjamin G. Barthallow,

Merlyn G. Cook,

Wallace Bertholf,

Frank McCommon,

Theodore A. Kittinger,

Guy Whitlock,

Jesse B. Gay,

Levin J. Wallace,

James O. Richardson,

James P. Murdock,

David A. Weaver,

Neil E. Nichols,

Otto C. Dowling,

Charles W. Early,

Wilson Brown, jr.,

Robert Henderson,

Edward C. S. Parker,

Joseph O. Fisher (additional number),

William T. Conn, jr.,

John H. Blackburn,

Frank B. Freyer,

Carlos Bean (additional number),

Roscoe C. Davis (additional number).

William D. Puleston,

Charles W. Densmore,

David Lyons,

Joseph F. Daniels,

Gaston DeP. Johnstone,

Frank Rorschach,

Stephen C. Rowan,

Walter S. Anderson,

Henry D. Cooke,

Samuel M. Robinson (additional number),

William W. Smyth,

Ralston S. Holmes,

Francis J. Cleary (additional number),

Fred H. Poteet,

William J. Gilles,

Ralph A. Koch,

Lamar R. Leahy,

Milton S. Davis,

Charles C. Moses, and

Sam C. Loomis.

The following-named lieutenants to be lieutenant commanders in the Navy, for temporary service, from the 15th day of October, 1917:

Charles C. Ross,

Howard M. Lammers,

Archer M. R. Allen, and

Francis J. Comerford.

The following-named officers to be ensigns in the Navy, for temporary service, from the 10th day of October, 1917:

Eugene L. Richardson,

Bennie C. Phillips,

James D. Rorabaugh,

Loar Mansbach,

William Pollock,

Fred J. Pope, and

Louis M. Palmer.

Carpenter George H. Wheeler to be an ensign in the Navy, for temporary service, from the 11th day of October, 1917.

Ensign Alexander S. Neilson, United States Naval Reserve Force, to be an ensign in the Navy, for temporary service, from the 30th day of November, 1917.

Ensign George H. Cooley, National Naval Volunteers, to be an ensign in the Navy, for temporary service, from the 15th day of December, 1917.

Ensign Elias Q. Horton, United States Naval Reserve Force, to be an ensign in the Navy, for temporary service, from the 15th day of December, 1917.

Lieut. Commander Ward K. Wortman to be a commander in the Navy from the 1st day of July, 1917.

Lieut. Commander Frank D. Berrien to be a commander in the Navy from the 1st day of July, 1917.

Lieut. Herbert B. Riebe to be a lieutenant commander in the Navy from the 1st day of July, 1917.

Lieut. (Junior Grade) Herman E. Welte to be a lieutenant in the Navy from the 29th day of August, 1916.

The following-named medical directors with rank of captain to be medical directors in the Navy with rank of rear admiral from the 15th day of October, 1917:

Edward R. Stitt and  
George H. Barber.

Asst. Surg. William W. Hargrave to be a passed assistant surgeon in the Navy from the 2d day of October, 1917.

Commander Luke McNamee to be a captain in the Navy, for temporary service, from the 1st day of July, 1917.

The following-named lieutenant commanders to be commanders in the Navy, for temporary service, from the 1st day of July, 1917:

William R. Sayles, jr.,  
Kenneth G. Castleman (additional number),  
Ward K. Wortman,  
Frank D. Berrien,  
Charles R. Train,  
William P. Cronan,  
Hugo W. Osterhaus,  
Charles P. Huff, and  
Byron A. Long.

Lieut. Grafton A. Beall, jr., to be a lieutenant commander in the Navy, for temporary service, from the 23d day of May, 1917.

The following-named lieutenants to be lieutenant commanders in the Navy, for temporary service, from the 1st day of July, 1917:

William A. Hall,  
Herbert B. Riebe,  
John P. Miller,  
Owen Bartlett,  
Edward S. Moses,  
John F. Connor,  
William H. Booth,  
Edwin B. Woodworth, and  
James P. Olding.

Lieut. Walter W. Lorschhough to be a lieutenant commander in the Navy from the 23d day of May, 1917.

The following-named lieutenants to be lieutenant commanders in the Navy from the 1st day of July, 1917:

Douglas L. Howard,  
Pierre L. Wilson, and  
Stuart W. Cake.

Lieut. Archibald G. Stirling to be a lieutenant commander in the Navy from the 11th day of July, 1917.

Lieut. John T. G. Stapler to be a lieutenant commander in the Navy from the 10th day of August, 1917.

Lieut. Lesley B. Anderson to be a lieutenant commander in the Navy from the 1st day of September, 1917.

Lieut. John S. McCain to be a lieutenant commander in the Navy from the 22d day of September, 1917.

Lieut. Matthias E. Manly to be a lieutenant commander in the Navy from the 7th day of October, 1917.

The following-named lieutenants to be lieutenant commanders in the Navy from the 11th day of October, 1917:

Ronan C. Grady and  
Reuben L. Walker.

Lieut. Alexander Sharp, jr., to be a lieutenant commander in the Navy from the 20th day of November, 1917.

The following-named lieutenants (junior grade) to be lieutenants in the Navy, for temporary service, from the 5th day of June, 1917:

Zachary Lansdowne,  
Herbert R. A. Borchardt, and  
Archibald McGlasson.

The following-named officers to be ensigns in the Navy, for temporary service, from the 10th day of October, 1917:

Howard W. Kitchin,  
Walter S. Gallagher,  
William W. Cole,  
Karl E. F. Sorensen,  
Jeremiah K. Cronin,  
Allen J. Gahagan,  
Bruce M. Parmenter,  
Benjamin F. Schmidt,  
James W. Lennon,

Frank S. Miller,  
Arthur Boileau,  
William A. Tattersall,  
William J. Russell, and  
Benjamin F. Blume.

The following-named officers to be ensigns in the Navy, for temporary service, from the 15th day of December, 1917:

Robert J. Ford,  
William J. Poland,  
Haden H. Phares,  
John P. Conraddi,  
Thomas Fertner,  
James Moran,  
Ellis H. Roach,  
Emil H. Petri,  
Olaf J. Dahl,  
Ralph F. Streitz,  
Warren W. Wesley,  
Stephen J. Drellishak,  
August Skolasky,  
Edwin F. Bilson,  
Werner E. Follin,  
James J. Morgan,  
Frederick Bense,  
Carl E. Nelson,  
Carter E. Parker,  
Charles M. May,  
Walter H. Thomas,  
Frederick G. Lemke,  
Lester M. Harvey,  
Edmund F. Sale,  
Adolf J. Hofman,  
Edward L. Moyer,  
Edward Eger,  
Thomas C. Ryan,  
William Johnson,  
Otto H. H. Strack,  
John Erikson, jr.,  
Dellworth Ballard,  
Harlie H. Brown,  
Garrison Payne,  
Emmett M. Wanner,  
Walter H. Stuart,  
Leo E. Orvis,  
Harold Bye,  
Harold E. Fosdick,  
Nels E. Smith,  
Archie O. Mundale,  
Mauritz M. Nelson,  
John C. Hicks,  
Orie H. Small,  
Charles W. Henckler,  
William B. Anderson,  
Henry Quinton,  
William P. Crowley,  
Harvey C. Brown,  
Louis M. Biller,  
Joe S. Wierzbowski,  
Robin Southern,  
George W. Allen,  
Elmer A. Posey,  
Edmond T. Coon,  
John F. McConalogue,  
George H. Turner,  
Joseph K. Konieczny,  
Frederick A. Ruf,  
Christian V. Pedersen,  
Thomas M. Arrowsmith,  
Henry Eismann,  
William R. Giddens,  
Walter E. Sharon,  
Ernest C. Marheinecke,  
Herman G. Mecklenburg,  
John D. Cornell,  
Earle S. Nason, and  
Lawrence Crilley.

The following-named enlisted men to be ensigns in the Navy, for temporary service, from the 15th day of December, 1917:

Carl I. Ostrom,  
Robert DeBellefeuille,  
James Williams,  
John H. Burke,  
William H. Newman,  
George E. Comstock,  
George Enos,  
Ralph M. Jeffries,



Fred P. Brown,  
 Frank L. McLellan,  
 Thomas E. Orr,  
 Frederick L. Rose,  
 Harry L. Thompson,  
 William A. Blazo,  
 Harry E. Adams,  
 John D. Lennon,  
 Herbert G. Haynes,  
 Edward V. Brown,  
 Harry L. Ritchie,  
 William M. Price,  
 William A. Reynolds,  
 Roy E. Hall,  
 Leslie K. Orr,  
 Leon W. Thomas,  
 Horatio S. Ford,  
 Frank Mogridge,  
 George W. Haynes,  
 Chub J. Smith,  
 Charles Braun, jr.,  
 John R. Rayhart,  
 John J. Dabbs,  
 Clyde Morrison,  
 Ira A. White,  
 Joseph A. Curzon,  
 John F. Warris,  
 Elmer B. Robinson,  
 Emil Roeller,  
 Emerson B. Manlay,  
 Albert L. Bishop,  
 Edward D. Berry,  
 Walker P. Rodman,  
 Stephen W. Burton,  
 William Kuskey,  
 James S. Cuff,  
 John L. Wilson,  
 George L. H. Dolan,  
 Paul E. Current,  
 Luther Foust,  
 Theodore R. Raderick,  
 Ernest N. Varnado,  
 Edgard J. Thonnesen,  
 Alfred G. Lewis,  
 John E. Shaw,  
 George W. Pounder,  
 Willie L. De Camp,  
 Thomas O. Kirby,  
 Carl A. Stevens,  
 Elijah E. Tompkins,  
 Walter J. Thomas,  
 Svend J. Skou,  
 Abe Toretsky,  
 Harry B. Lough,  
 Loring McCormick,  
 Thomas C. Macklin,  
 William A. Gordon,  
 Oswald T. Schubert,  
 John W. Scanlin,  
 Carlton C. Tipping,  
 Cullie C. Manning,  
 Frank R. Williams,  
 Jacob Schnell,  
 Leonard E. Bray,  
 James D. Rodgers,  
 James B. O'Reilly,  
 Emil G. B. Wandt,  
 Anthony P. Sauerwein,  
 Ray W. Marsh,  
 Warren C. Carr,  
 Harold L. Arnold,  
 Clarence E. Owens,  
 John J. Audett,  
 Harold J. Gordon, and  
 Stanley Kazmarek.

Surg. Frederick L. Benton to be a medical inspector in the Navy from the 23d day of May, 1917.

The following-named surgeons to be medical inspectors in the Navy from the 15th day of October, 1917:

Royall R. Richardson and  
 Jacob Stepp.

The following-named passed assistant surgeons to be surgeons in the Navy from the 15th day of October, 1917:

James M. Minter,  
 Spencer L. Higgins, and  
 Renier J. Straeten.

Asst. Surg. Henry C. Johnston, of the United States Naval Reserve Force, to be an assistant surgeon in the Navy from the 17th day of November, 1917.

The following-named officers of the United States Naval Reserve Force to be assistant surgeons in the Navy from the 17th day of November, 1917, to correct their date of rank:

Lawrence K. McCafferty,  
 Stephen R. Mills,  
 James A. Brown,  
 Albert N. Champion,  
 Alvin L. Mills,  
 Millard F. Hudson, and  
 Isaac Dellar.

The following-named officers of the United States Naval Reserve Force to be assistant surgeons in the Navy from the 17th day of November, 1917, to correct their status and date of rank:

Carlton L. Andrus and  
 Floyd G. Tindall.

The following-named officers of the United States Naval Reserve Force to be assistant surgeons in the Navy, for temporary service, from the 17th day of November, 1917, to correct their status and date of rank:

Harold E. Ragle and  
 Lawrence T. Hopkins.

The following-named officers of the United States Naval Reserve Force to be assistant surgeons in the Navy, for temporary service, from the 17th day of November, 1917, to correct their date of rank:

Esdras J. Lanois and  
 George A. Alden.

Thomas White, a citizen of the United States, to be a dental surgeon in the Navy, for temporary service, from the 6th day of October, 1917.

Naval Constructor William G. DuBose, with rank of commander, to be a naval constructor in the Navy, with rank of captain, for temporary service, from the 15th day of October, 1917.

The following-named naval constructors, with rank of lieutenant commander, to be naval constructors in the Navy, with rank of commander, for temporary service, from the 15th day of October, 1917:

James Reed, jr., and  
 Edwin G. Kintner.

Lieut. William H. Booth to be a lieutenant commander in the Navy from the 1st day of July, 1917.

Ensign Boleslaw L. Dombrowski to be a lieutenant (junior grade) in the Navy from the 6th day of June, 1917.

Ensign Alexander S. Neilson, United States Naval Reserve Force, to be an ensign in the Navy, for temporary service, from the 30th day of November, 1917.

Ensign Henry K. McHarg, United States Naval Reserve Force, to be an ensign in the Navy, for temporary service, from the 30th day of November, 1917.

The following-named officers of the National Naval Volunteers to be ensigns in the Navy, for temporary service, from the 30th day of November, 1917:

Henry C. McIlvaine, jr.,  
 Henry S. Austin,  
 J. Walker Eaton,  
 James F. Cooper,  
 Milton M. Fisher,  
 Joseph C. M. Small,  
 Albert L. King, and  
 Frank J. McManamon.

The following-named surgeons to be medical inspectors in the Navy from the 15th day of October, 1917:

Charles N. Fiske,  
 Charles G. Smith,  
 Robert A. Bachmann, and  
 Howard F. Strine.

The following-named passed assistant surgeons to be surgeons in the Navy, from the 15th day of October, 1917:

Frank H. Stibbens,  
 Reynolds Hayden,  
 Edward V. Valz,  
 Montgomery A. Stuart, and  
 Rudolph I. Longabaugh.

Ensign David A. Smith, United States Naval Reserve Force, to be an ensign in the Navy, for temporary service, from the 15th day of December, 1917.

#### CONFIRMATION.

*Executive nomination confirmed by the Senate January 4, 1918.*

#### COLLECTOR OF CUSTOMS.

Charles E. Hardy to be collector of customs for customs collection district No. 28, with headquarters at Nogales, Ariz.

## HOUSE OF REPRESENTATIVES.

FRIDAY, January 4, 1918.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Eternal God, our Heavenly Father, Source of all wisdom, power, and goodness, imbue us plenteously, we beseech Thee, with these inestimable gifts, that with clear conceptions of right and truth and justice and an inflexible will and pure motives we may fulfill the obligations resting upon us, now and always, in the Spirit of the Lord Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

## JOINT SESSION OF THE TWO HOUSES.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent for the present consideration of the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

## Concurrent resolution 31.

*Resolved by the House of Representatives (the Senate concurring).* That the two Houses of Congress assemble in the Hall of the House of Representatives Friday, the 4th day of January, 1918, at 12 o'clock and 30 minutes in the afternoon, for the purpose of receiving such communication as the President of the United States shall be pleased to make to them.

The SPEAKER. Is there objection?

Mr. GILLET. Reserving the right to object, Mr. Speaker, I should like to ask the gentleman why this resolution was not brought up yesterday, as has always been the practice in the past? It makes this body look a little ridiculous to go through the form of deliberating after the stage has been all set. It looks as if we were 24 hours behind all the rest of the country in knowing what was going to happen right here.

Mr. KITCHIN. I will say to the gentleman that I had not received notice that the President desired to come here at this time until after the House had adjourned yesterday. If I had known it yesterday before the House adjourned, I should have submitted the resolution then.

The SPEAKER. The Chair will state that the day before yesterday he called up the White House to ascertain when the President desired to address the Congress. At that time no one at the White House was able to give that information. Yesterday, after the House had adjourned, my secretary notified me that the White House had called up and said that 12.30 o'clock to-day would be suitable to the President, if it was satisfactory to the Congress. I replied, of course, that it was satisfactory to us. The White House did not know that the House would adjourn so quickly yesterday. Is there objection? [After a pause.] The Chair hears none. The question is on agreeing to the resolution.

The resolution was agreed to.

## LEAVE OF ABSENCE.

Mr. BROWNING. Mr. Speaker, I ask unanimous consent for indefinite leave of absence for my colleague, Mr. DRUKKER, on account of illness.

The SPEAKER. The gentleman from New Jersey asks unanimous consent for indefinite leave of absence for his colleague, Mr. DRUKKER, on account of illness. Is there objection?

There was no objection.

## EXCESS-PROFITS TAX.

Mr. HAMLIN. Mr. Speaker, I ask unanimous consent that I be permitted to extend my remarks in the Record by inserting therein a brief, concise, and, I think, very clear statement in regard to the 8 per cent extra tax that the Congress has been criticized about, prepared by my colleague, Judge RUCKER.

The SPEAKER. The gentleman from Missouri asks unanimous consent to extend his remarks in the Record by printing therein a statement by Mr. RUCKER. Is there objection?

There was no objection.

## PERSONAL EXPLANATION.

Mr. LENROOT. Mr. Speaker, I ask unanimous consent to proceed for two minutes on a matter pertaining to the Record.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to proceed for two minutes. Is there objection?

There was no objection.

Mr. LENROOT. Mr. Speaker, on the day that the Congress adjourned, the House will remember, we were debating the question of the excess-profits taxation on earned income. In that debate the distinguished leader upon the other side, Mr. KITCHIN, used as an illustration, to aid his argument, the investment in certain cotton factories. In reply I took up the gentleman's illustration and attempted to show the fallacy of

the argument. I find in the Record that the gentleman from North Carolina has cut out all of that illustration, and that leaves me in the position of replying to something that apparently did not occur.

Mr. KITCHIN. Why, there must be some mistake about that.

Mr. LENROOT. But I have the transcript of the gentleman's remarks in my hand, showing that that particular portion was stricken out by some one.

Mr. KITCHIN. Not by me. I do not recall it.

Mr. LENROOT. And rewritten.

Mr. KITCHIN rose.

Mr. LENROOT. Oh, I do not intend to make any request in respect to it, except to say that because of that I have been put in the unfair attitude of putting in the mouth of the gentleman something which, according to the Record, he did not say.

This is a transcript of the gentleman's remarks, which I hand to him. I have no request to make in connection with it, except to say that when a Member makes an argument, and that argument is replied to, it is an abuse of the right of revision to cut out from the transcript all reference to the argument that is replied to, and I hope it will not be repeated.

Mr. KITCHIN. Before the gentleman takes his seat I want to say that if what the gentleman refers to is stricken out, it was an oversight upon my part. I certainly did not intend to strike out anything the gentleman said.

Mr. LENROOT. My point is that the gentleman, or somebody in behalf of the gentleman, struck out the illustration that the gentleman used to support his argument, and I replied to that illustration.

Mr. KITCHIN. Having just looked over the notes of my remarks, which the gentleman has handed me, I wish to state that the gentleman is correct. I find—and the notes show it—that in hurriedly revising my remarks, seeing that I had practically made a repetition of the same proposition, I struck out one, which happened to be the one containing the cotton-mill illustration.

## EXTENSION OF REMARKS.

Mr. KINKAID. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting therein a letter from a constituent.

The SPEAKER. Is there objection?

Mr. WALSH. Mr. Speaker, I object.

## RESIGNATION FROM A COMMITTEE.

The SPEAKER laid before the House the following resignation from a committee:

Mr. SPEAKER: Having been appointed upon the recently created Suffrage Committee, I hereby resign from the Committee on Irrigation of Arid Lands.

Very respectfully,

THOMAS L. BLANTON.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

## LEAVE OF ABSENCE.

By unanimous consent, Mr. Cox was granted five days' leave of absence on account of death in the family.

## FILING OF A PETITION.

Mr. HARDY. Mr. Speaker, I wish to ask leave to file petition from quite a number of citizens of Texas against limiting the number of cars on trains.

The SPEAKER. The gentleman can place that in the basket.

## FEDERAL FARM-LOAN ACT.

Mr. GLASS. Mr. Speaker, I move that we proceed with the regular order, which is the consideration of the bill (H. R. 7731) on the House Calendar, and, pending that motion, I would like to reach some agreement with gentlemen on the other side about the time of debate.

The SPEAKER. The Chair will state to the gentleman from Virginia that this bill is on the House Calendar. The Clerk will report the bill.

Mr. GLASS. Mr. Speaker, I observe the bill is on the House Calendar.

The SPEAKER. Yes.

Mr. GLASS. And I ask unanimous consent—

Mr. CAMPBELL of Kansas. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CAMPBELL of Kansas. Is the bill properly on the House Calendar?

The SPEAKER. The Chair does not know what is in the bill.

Mr. CAMPBELL of Kansas. The bill authorizes the expenditure of \$100,000,000 this year and another \$100,000,000 next, and I think properly it ought to be on the Union Calendar.



The SPEAKER. Of course it ought.

Mr. GLASS. Mr. Speaker, I ask unanimous consent that it be transferred to the Union Calendar.

The SPEAKER. The gentleman from Virginia asks unanimous consent that this bill be transferred to the Union Calendar. Is there objection?

Mr. LENROOT. Mr. Speaker, reserving the right to object, I would like to ask the gentleman a question. The Senate bill upon the same subject is before the House. Why will not the gentleman ask that the Senate bill be considered in lieu of the House bill?

Mr. GLASS. That is what I expect to do later.

Mr. LENROOT. That is all right.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The gentleman from Virginia moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration—

Mr. GLASS. Pending that motion, Mr. Speaker, I ask unanimous consent that we may consider the Senate bill on the same subject in lieu of the House bill. The Senate bill is numbered 3235.

The SPEAKER. The gentleman from Virginia asks unanimous consent to consider Senate bill 3235, of the same tenor, in lieu of the House bill. Is there objection?

Mr. GARNER. Mr. Speaker, reserving the right to object, I would like to make an inquiry of the gentleman from Virginia whether he proposes, after he gets unanimous consent to consider the Senate bill, to offer the House bill as an amendment to the Senate bill?

Mr. GLASS. That is my purpose, Mr. Speaker—later to move to strike out all after the enacting clause in the Senate bill and substitute the House bill.

Mr. GARNER. I have no objection.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. Now, has the gentleman any request to make in reference to time?

Mr. GLASS. I ask unanimous consent to consider the bill in the House as in Committee of the Whole House on the state of the Union.

The SPEAKER. The gentleman from Virginia asks unanimous consent to consider this bill in the House as in Committee of the Whole House on the state of the Union.

Mr. GILLET. Mr. Speaker, I object to that. I think that we had better go into Committee of the Whole.

The SPEAKER. The question is on the motion of the gentleman from Virginia to resolve the House into the Committee of the Whole House on the state of the Union. Those in favor will say "aye"—

Mr. GLASS. Mr. Speaker, I would like to reach some arrangement as to debate on the bill.

Mr. STAFFORD. Mr. Speaker, the gentleman should have made that request before the vote to go into the Committee of the Whole House on the state of the Union.

Mr. GLASS. Well, I distinctly stated that, pending the motion to go into the Committee of the Whole—

Mr. GARNER. It has been suggested—

Mr. GLASS. I did not understand that we had gone into the Committee of the Whole.

The SPEAKER. The House voted upon going into the Committee of the Whole, but then the gentleman preferred the question about time and, as a matter of fact, the House has not actually gone into the Committee—

Mr. GARNER. That is what I was going to say.

The SPEAKER. As the Speaker has not appointed a Chairman, Mr. GARNER suggested that the negative vote was not put.

Mr. GARNER. Mr. Speaker, I withdraw my motion to go into the Committee of the Whole.

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed without amendment the following resolution:

House concurrent resolution 31.

*Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives Friday, the 4th day of January, 1918, at 12 o'clock and 30 minutes in the afternoon for the purpose of receiving such communication as the President of the United States shall be pleased to make to them.*

#### RECESS.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that the House stand in recess until 12.27.

The SPEAKER. The gentleman from North Carolina [Mr. KITCHIN] asks unanimous consent that the House stand in recess until 12.27. Is there objection? The Chair hears none. The Chair wants to announce that these three inner rows of seats

are to be set aside for the Senate. The House will now stand in recess under the unanimous-consent agreement.

Accordingly, at 12 o'clock and 19 minutes the House stood in recess until 12 o'clock and 27 minutes.

At the expiration of the recess the House resumed its session and was called to order by the Speaker.

#### JOINT MEETING OF THE SENATE AND HOUSE.

At 12 o'clock and 27 minutes p. m. the Doorkeeper, J. J. Sinnott, announced the Vice President of the United States and the Members of the United States Senate.

The Members of the House rose.

The Senate, preceded by the Vice President and by their Secretary and Sergeant at Arms, entered the Chamber.

The Vice President took the chair at the right of the Speaker and the Members of the Senate took the seats reserved for them.

The SPEAKER. On the part of the House, the Chair appoints Messrs. KITCHIN, SHERLEY, SIMS, CARLIN, CANNON, ESCH, and AUSTIN as a committee to wait on the President and conduct him into the Hall.

The VICE PRESIDENT. On the part of the Senate, the Chair appoints Senators MARTIN, GALLINGER, OVERMAN, LODGE, SMOOT, POMERENE, and PHELAN.

At 12 o'clock and 30 minutes p. m. the President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House and stood at the Clerk's desk, amid prolonged applause.

The SPEAKER. Gentlemen of the Sixty-fifth Congress, I present the President of the United States. [Applause.]

#### ADDRESS OF THE PRESIDENT (H. DOC. 764).

The PRESIDENT. Mr. Speaker, Mr. President, and gentlemen of the Congress, I have asked the privilege of addressing you in order to report to you that on the twenty-eighth of December last, during the recess of the Congress, acting through the Secretary of War and under the authority conferred upon me by the act of Congress approved August 29, 1916, I took possession and assumed control of the railway lines of the country and the systems of water transportation under their control. [Applause.] This step seemed to be imperatively necessary in the interest of the public welfare, in the presence of the great tasks of war with which we are now dealing. As our own experience develops difficulties and makes it clear what they are, I have deemed it my duty to remove those difficulties wherever I have the legal power to do so. To assume control of the vast railway systems of the country is, I realize, a very great responsibility, but to fail to do so in the existing circumstances would have been a much greater. I assumed the less responsibility rather than the weightier.

I am sure that I am speaking the mind of all thoughtful Americans when I say that it is our duty as the representatives of the Nation to do everything that it is necessary to do to secure the complete mobilization of the whole resources of America by as rapid and effective means as can be found. Transportation supplies all the arteries of mobilization. Unless it be under a single and unified direction, the whole process of the Nation's action is embarrassed.

It was in the true spirit of America, and it was right, that we should first try to effect the necessary unification under the voluntary action of those who were in charge of the great railway properties; and we did try it. The directors of the railways responded to the need promptly and generously. The group of railway executives who were charged with the task of actual coordination and general direction performed their difficult duties with patriotic zeal and marked ability, as was to have been expected, and did, I believe, everything that it was possible for them to do in the circumstances. If I have taken the task out of their hands, it has not been because of any dereliction or failure on their part, but only because there were some things which the Government can do and private management can not. We shall continue to value most highly the advice and assistance of these gentlemen, and I am sure we shall not find them withholding it.

It had become unmistakably plain that only under Government administration can the entire equipment of the several systems of transportation be fully and unreservedly thrown into a common service without injurious discrimination against particular properties. Only under Government administration can an absolutely unrestricted and unembarrassed common use be made of all tracks, terminals, terminal facilities, and equipment of every kind. Only under that authority can new terminals be constructed and developed without regard to the requirements or limitations of particular roads. But under Government administration all these things will be possible—not instantly, but as fast as practical difficulties, which can not be merely conjured away, give way before the new management.

The common administration will be carried out with as little disturbance of the present operating organizations and personnel of the railways as possible. Nothing will be altered or disturbed which it is not necessary to disturb. We are serving the public interest and safeguarding the public safety, but we are also regardful of the interest of those by whom these great properties are owned and glad to avail ourselves of the experience and trained ability of those who have been managing them. It is necessary that the transportation of troops and of war materials, of food and of fuel, and of everything that is necessary for the full mobilization of the energies and resources of the country, should be first considered, but it is clearly in the public interest also that the ordinary activities and the normal industrial and commercial life of the country should be interfered with and dislocated as little as possible, and the public may rest assured that the interest and convenience of the private shipper will be as carefully served and safeguarded as it is possible to serve and safeguard it in the present extraordinary circumstances.

While the present authority of the Executive suffices for all purposes of administration, and while of course all private interests must for the present give way to the public necessity, it is, I am sure you will agree with me, right and necessary that the owners and creditors of the railways, the holders of their stocks and bonds, should receive from the Government an unqualified guarantee that their properties will be maintained throughout the period of Federal control in as good repair and as complete equipment as at present, and that the several roads will receive under Federal management such compensation as is equitable and just alike to their owners and to the general public. I would suggest the average net railway operating income of the three years ending June 30, 1917. I earnestly recommend that these guarantees be given by appropriate legislation, and given as promptly as circumstances permit.

I need not point out the essential justice of such guarantees and their great influence and significance as elements in the present financial and industrial situation of the country. Indeed, one of the strong arguments for assuming control of the railroads at this time is the financial argument. It is necessary that the values of railway securities should be justly and fairly protected and that the large financial operations every year necessary in connection with the maintenance, operation and development of the roads should, during the period of the war, be wisely related to the financial operations of the Government. Our first duty is, of course, to conserve the common interest and the common safety and to make certain that nothing stands in the way of the successful prosecution of the great war for liberty and justice, but it is also an obligation of public conscience and of public honor that the private interests we disturb should be kept safe from unjust injury, and it is of the utmost consequence to the Government itself that all great financial operations should be stabilized and coordinated with the financial operations of the Government. No borrowing should run athwart the borrowings of the Federal Treasury, and no fundamental industrial values should be anywhere unnecessarily impaired. In the hands of many thousands of small investors in the country, as well as in national banks, in insurance companies, in savings banks, in trust companies, in financial agencies of every kind, railway securities, the sum total of which runs up to some ten or eleven thousand millions, constitute a vital part of the structure of credit, and the unquestioned solidity of that structure must be maintained.

The Secretary of War and I easily agreed that, in view of the many complex interests which must be safeguarded and harmonized, as well as because of his exceptional experience and ability in this new field of governmental action, the Honorable William G. McAdoo was the right man to assume direct administrative control of this new executive task. [Applause.] At our request, he consented to assume the authority and duties of organizer and Director General of the new Railway Administration. He has assumed those duties and his work is in active progress.

It is probably too much to expect that even under the unified railway administration which will now be possible sufficient economies can be effected in the operation of the railways to make it possible to add to their equipment and extend their operative facilities as much as the present extraordinary demands upon their use will render desirable without resorting to the national treasury for the funds. If it is not possible, it will, of course, be necessary to resort to the Congress for grants of money for that purpose. The Secretary of the Treasury will advise with your committees with regard to this very practical aspect of the matter. For the present, I suggest only the guarantees I have indicated and such appropriations as are necessary at the outset of this task. I take the liberty of expressing the

hope that the Congress may grant these promptly and ungrudgingly. We are dealing with great matters and will, I am sure, deal with them greatly. [Applause.]

At 12 o'clock and 33 minutes p. m. the President retired from the Hall of the House.

At 12 o'clock and 34 minutes p. m. the Speaker announced that the joint session had dissolved.

Thereupon the Vice President and Members of the Senate returned to their Chamber.

#### MESSAGES FROM THE PRESIDENT OF THE UNITED STATES.

Sundry messages, in writing, from the President of the United States was communicated to the House of Representatives by Mr. Sharkey, one of his secretaries, who also informed the House of Representatives that the President had approved and signed bills and joint resolutions of the following titles:

On December 18, 1917:

H. J. Res. 193. Joint resolution authorizing the payment of salaries of officers and employees of Congress for December, 1917.

On December 20, 1917:

H. R. 6967. An act to increase the number of midshipmen at the United States Naval Academy; and

S. 2334. An act to authorize absence by homestead settlers and entrymen, and for other purposes.

On December 26, 1917:

S. J. Res. 114. Joint resolution extending the commission provided for in the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1918, and for other purposes," approved March 3, 1917, with the same authorities, powers, and provisions until on or before March 1, 1918.

#### SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 2918. An act providing that the forfeiture provisions of land laws shall not apply in the case of persons in the military and naval service during the present war; to the Committee on the Public Lands.

S. 27. An act to encourage the reclamation of certain arid lands in the State of Nevada, and for other purposes; to the Committee on Irrigation of Arid Lands.

S. 1766. An act to authorize the President to appoint Col. L. Mervin Maus to the grade of brigadier general in the United States Army and place him on the retired list; to the Committee on Military Affairs.

S. 2493. An act to amend section 3 of an act entitled "An act to provide for stock-raising homesteads, and for other purposes," approved December 29, 1916; to the Committee on the Public Lands.

S. 730. An act granting certain coal lands to the town of Kaycee, Wyo.; to the Committee on the Public Lands.

S. J. Res. 117. Joint resolution amending the act of July 2, 1909, governing the holding of civil-service examinations; to the Committee on Reform in the Civil Service.

S. 2852. An act to increase the limit of cost of the Federal building and site therefor at Moultrie, Ga.; to the Committee on Public Buildings and Grounds.

#### EXTENSION OF REMARKS.

Mr. GORDON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by printing a speech on the subject of relations of the railroads to the public and also of the States to the Federal Government, by Jeremiah S. Black.

The SPEAKER. The gentleman from Ohio [Mr. Gordon] asks unanimous consent to extend his remarks in the Record. Is there objection? [After a pause.] The Chair hears none.

#### FEDERAL FARM LOANS.

Mr. GLASS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 3235, and pending that motion, Mr. Speaker, I would like to reach some agreement with the gentleman from California [Mr. Hayes] as to the time. I would suggest that an hour on a side be devoted to general debate. Is that agreeable to my colleague?

Mr. HAYES. Mr. Speaker, a good many on this side would like to be heard. I think that length of time would be rather short. I would suggest two hours on a side.

Mr. GLASS. I suggest to my colleague that the bill will be considered under the five-minute rule.

Mr. HAYES. I am well aware of that.

Mr. GLASS. And those who do not engage in general debate will have ample opportunity under the five-minute rule.



Mr. HAYES. But under the rules of the House it will be possible to shut gentlemen out. They can not get general debate under that head, unless the House so desires. If any considerable part of the House desire to shut it off, they can do so.

Mr. GLASS. Does the gentleman anticipate that after we have consumed two hours of general debate there will be much desire to speak under the five-minute rule?

Mr. HAYES. I do. Mr. Speaker, it seems to me that this is a very important matter, one rather extraordinary and revolutionary in character, and ought to be thoroughly discussed, and I think that two hours on a side is little enough.

Mr. GLASS. I will suggest to my colleague that when the House adjourned for the holidays we had under consideration and were prepared to vote on a rule that allowed only one hour of general debate, which I think was ample.

Mr. HAYES. But, as I have been informed, the House did not agree to that one hour, and the matter was left open.

Mr. GLASS. The House did not come to any decision on the matter at all.

Mr. GILLETT. May I make a suggestion?

Mr. GLASS. I will be glad to hear it.

Mr. GILLETT. When the gentleman from California [Mr. HAYES] was not here, before the President's address, Members came to me who wished to discuss the bill, and I have here, which does not include the gentleman from California, a list of names of men who would like to consume 1 hour and 55 minutes. It seems to me that this is a question of such importance that there is no reason why it should not be debated as long as men really wish to discuss the question and throw light on it. Perhaps you on your side would not use up all of your time and could yield some to this side. The House is not pressed with business. There is no reason, it seems to me, why, on such an important matter, gentlemen should not be allowed time to debate fairly, as long as they are not trying to delay.

Mr. NORTON. I suggest that the debate be confined to the bill. With that understanding, I have no objection.

Mr. HAYES. I have no objection to that.

Mr. GLASS. Mr. Speaker, I do not think that this is a time or that this is a measure that should offer opportunity to people to talk just to be talking.

Mr. GILLETT. This is all on the bill.

Mr. HAYES. Mr. Speaker, of course we have no desire to continue the discussion longer than is necessary, and if gentlemen do not care to speak the time can be shortened accordingly. But it seems to me that Members who desire to speak on this side should have an opportunity.

Mr. GLASS. I ask unanimous consent, Mr. Speaker, that the general debate be confined to an hour and a half on each side.

Mr. HAYES. I wish the gentleman would give us two hours. We could consume two hours' time on the subject.

Mr. GILLETT. Could the gentleman give us 30 minutes of his time on this side?

Mr. GLASS. I have very few requests.

Mr. GILLETT. If the gentleman would give us thirty minutes of his time that would be satisfactory.

Mr. GLASS. I can not agree to that. I will give all that is not asked for on this side.

Mr. GILLETT. This is not against the bill, you understand.

Mr. GLASS. I understand that. I think more Members on that side want to speak for the bill than against it.

Mr. GILLETT. I think so.

Mr. GLASS. But that is not the question. I simply want to be rid of the proposition as soon as I can get rid of it. It is not a complex proposition. It is one easily understood, and to save my life how we could consume four hours in general debate is beyond my comprehension.

Mr. PLATT. But the gentleman will recollect that there is a whole lot back of it that ought to be brought out.

Mr. GLASS. I do not recollect anything of the sort. I do not know anything of the sort—that there is a whole lot back of it that ought to be brought out.

Mr. PLATT. I do not mean that in a depreciatory sense. I mean that in order to understand this thing thoroughly there are a good many things to be said.

Mr. GLASS. My observation is that a good many things are said that could be very easily dispensed with in all general debate.

Mr. PLATT. The discussion will be confined to the bill.

Mr. GLASS. Well, I suggest to my colleague that that side be given an hour and forty-five minutes and this side one hour and fifteen minutes.

Mr. GARNER. That ought to satisfy gentlemen on the other side.

Mr. GLASS. I ask unanimous consent, Mr. Speaker, that three hours of general debate be devoted to this bill, 1 hour and 45

minutes to be controlled by my colleague from California [Mr. HAYES] and 1 hour and 15 minutes to be controlled by myself, and that the general debate be confined to the subject of the bill.

The SPEAKER. The gentleman from Virginia moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7731.

Mr. CARLIN. Mr. Speaker, reserving the right to object, I want to inquire if that includes debate on the amendments?

Mr. GLASS. No; that is general debate on the bill itself.

The SPEAKER. And, pending that motion, he asks unanimous consent that general debate be limited to three hours and confined to the subject matter of the bill, an hour and three-quarters to be controlled by the gentleman from California [Mr. HAYES] and an hour and fifteen minutes to be controlled by himself. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I believe the Speaker, through inadvertence, referred to the House bill rather than to the Senate bill.

The SPEAKER. Yes; the Senate bill. I did not have it before me. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion to go into the Committee of the Whole House on the state of the Union.

The motion was agreed to.

The SPEAKER. The gentleman from Mississippi [Mr. HARRISON] will please take the chair.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill S. 3235, with Mr. HARRISON of Mississippi in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3235) amending section 32, Federal farm loan act, approved July 17, 1916, which the Clerk will report.

The Clerk read the bill, as follows:

An act (S. 3235) amending section 32, Federal farm loan act, approved July 17, 1916.

*Be it enacted, etc.,* That the Federal farm loan act, approved July 17, 1916, is hereby amended by adding at the end of section 32 the following:

"The Secretary of the Treasury is further authorized, in his discretion, upon the request of the Federal Farm Loan Board, from time to time during the fiscal year ending June 30, 1918, to purchase, at par and accrued interest, with any funds in the Treasury not otherwise appropriated, from any Federal land bank, farm loan bonds issued by such bank.

"Such purchases shall not exceed the sum of \$100,000,000. Any Federal land bank may at any time repurchase, at par and accrued interest, for the purpose of redemption or resale, any bonds so purchased from it and held in the Treasury.

"The bonds of any Federal land bank so purchased by the Secretary of the Treasury, and held in the Treasury under the provisions of this amendment one year after the termination of the pending war, shall, upon 30 days' notice from the Secretary of the Treasury, be redeemed or repurchased by such bank at par and accrued interest.

"Until all bonds so purchased by the Secretary of the Treasury have been so redeemed or repurchased, no loans in addition to those now approved shall be made by Federal land banks except under special rules prescribed by the Federal Farm Loan Board limiting further loans from funds derived from the Treasury to those made for the sole purpose of increasing food products.

"The temporary organization of any Federal land bank as provided in section 4 of said Federal farm loan act shall be continued so long as any farm loan bonds purchased from it under the provisions of this amendment shall be held by the Treasury, and until the subscriptions to stock in such bank by national farm loan associations shall equal the amount of stock held in such bank by the Government of the United States."

SEC. 2. That all acts or parts of acts inconsistent with this act are hereby repealed, and this act shall take effect upon its passage. The right to amend, alter, or repeal this act is hereby expressly reserved.

The CHAIRMAN. The gentleman from Virginia [Mr. GLASS] is recognized.

Mr. GLASS. Mr. Chairman—

Mr. TILSON. Mr. Chairman, before the gentleman from Virginia begins, will he explain which bill is being considered, whether the House or the Senate bill?

Mr. GLASS. It is the Senate bill 3235.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. GLASS. Yes.

Mr. STAFFORD. Copies of the Senate bill as it passed the Senate are not available. Will the gentleman kindly indicate what those amendments are so that we may have them before the committee in considering this bill? The Senate bill is not available. The amendments have not been printed. We are considering a bill which is not before the House.

Mr. BUTLER. None of us could obtain it; yet we agreed to consider it.

Mr. WINGO. If the gentleman will look in the RECORD of December 18 he will find the amendments.

Mr. BUTLER. That RECORD is not in our files.

Mr. GLASS. Mr. Chairman, answering the question of the gentleman from Wisconsin [Mr. STAFFORD], as I recall the amendments, one of them limits the total amount of bonds which the Secretary of the Treasury is authorized to purchase to \$100,000,000 instead of \$200,000,000, as provided by the House bill, and limits the time to one year instead of two years, as provided by the House bill.

The second Senate amendment limits the application of the funds derived from the sale of these bonds to the "actual production of foodstuffs." That, in brief, is the substance of the two Senate amendments to the House bill.

Mr. Chairman, it is needless for me to say to the House that in ordinary circumstances I would oppose—utterly oppose—legislation of this description. I have always been against it. When the Federal reserve act was under consideration I opposed in principle this species of legislative enactment, and when the Federal land-bank measure was under consideration I bitterly resisted legislation of this nature. I think it usually may be regarded as unwise, and in most circumstances vicious.

But these are not ordinary times. Gen. Sherman's characterization of war as "hell" may be given a very broad application. War is not only "hell" in the sufferings and casualties and disasters of the battle field; it is not only "hell" in the heartbreaks and bereavements of the homes, but is "hell" everywhere. It disorganizes and disturbs every interest of a country; and because of that fact this matter is presented for the consideration of the House to-day.

The farm-loan system was established primarily not as a protégé of the Federal Government, but as a business institution, to afford the farming community of the United States what it had theretofore never had in the whole history of this country—ample and reasonable credit facilities. It is not necessary to draw the attention of the House to the fact that the national bank act, under which we operated for half a century, in its text and by the rulings of the Comptrollers of the Currency, as well as under the decisions of the courts, sedulously and persistently excluded the farm-land interests of the United States from the credit facilities which it afforded. No matter what his acreage or how rich and productive his farm, under the national bank act no American farmer was given one dollar of land-credit facilities; and it was to cure that exasperating situation that the Federal farm loan measure was conceived and put into effect by the Congress.

As I have said, it was never contemplated that the system should be a protégé of the Federal Government. Congress resolutely resisted the attempt to make the system a Federal dependent. It is only because these are extraordinary circumstances which confront us that the matter is presented to Congress—not of choice or cheerfully, but of necessity and reluctantly.

Briefly it may be stated that the Federal farm-loan system was in efficient and effective operation up to the 1st of November, 1917. The Federal Farm Loan Board experienced no trouble whatsoever in selling Federal farm land bank bonds. Indeed, if any error of administration was committed by the Farm Loan Board, it was on the side of excessive caution. Mistakes, if any there were, have not been due in any degree to improvidence or extravagance of any sort. The Farm Loan Commissioner told me three months ago that the banks were so flooded with applications for the purchase of farm-loan bonds that the board felt it necessary to admonish great care and deliberation.

From the 2d day of July, when these securities were first put on the market, up to the 1st of November, there were sold approximately \$30,000,000 of 4½ per cent bonds at a premium of 1½. This achievement furnished good ground for the optimism of the Farm Loan Board and for the confident assumption that no trouble would be experienced. The sale of approximately \$30,000,000 of these bonds was easily made notwithstanding the fact that the Government had floated its first liberty loan.

Approaching the 1st of November the Farm Loan Board found, according to the statement made to the House Committee on Banking and Currency, not so ready a sale for these bonds. They found it very difficult to place them, and the reason was perfectly apparent. It was because the Government had just put on its second liberty loan of \$3,000,000,000, had conducted a Nation-wide campaign in behalf of that loan, and the loan itself had absorbed nearly all the ready-investment capital of the country. Now, there may be some criticism of the Farm Loan Board—

Mr. CAMPBELL of Kansas. Will the gentleman yield?

Mr. GLASS. Yes.

Mr. CAMPBELL of Kansas. Just in connection with the matter that the gentleman has referred to, am I correctly informed, or is my recollection correct, that there was a criticism

by the Secretary of the Treasury of the Farm Loan Board for undertaking to float their bonds at the time he was undertaking to float his liberty loan bonds?

Mr. GLASS. I am not definitely informed as to that; but if such was the case I can readily understand why. I think, had I been the Secretary of the Treasury, I should have objected to seeing a rival bond campaign inaugurated just at the moment when the Treasury Department was conducting a campaign for this liberty loan, so essential to the conduct of the war in all of its phases. Very likely that did happen. I am not informed on that point. But the Farm Loan Commissioner stated to the House Committee—

Mr. CAMPBELL of Kansas. If it did happen, do you not think the Secretary of the Treasury is showing considerable generosity by asking now that the money be taken out of the Treasury to take up these bonds that the Farm Loan Board failed to float in rivalry with the liberty-loan bonds?

Mr. GLASS. I do not participate in any criticism of the Secretary of the Treasury on that score, because, had I been the Secretary of the Treasury, I should have objected very seriously and vigorously to the inauguration of a rival bond campaign in the country when the Treasury was trying to raise the unprecedented sum of \$3,000,000,000 to carry on the war. However, it was not necessary for the Secretary of the Treasury to make any objection, because the members of the Farm Loan Board definitely stated to the committee that they themselves felt that the patriotic thing to do in the circumstances was to desist, and not precipitate a competitive campaign for placing bonds at that time; and I think their view of the matter was both patriotic and reasonable.

Mr. STAFFORD. Mr. Chairman, the statement has been published in the press that the Farm Loan Board have made loans on securities of a reckless character as a corollary to the need of obtaining Government bonds to the extent of \$200,000,000. I wish to inquire of the chairman of the committee whether his committee has made any investigation of the character of the loans made by the Farm Loan Board.

Mr. GLASS. The Banking and Currency Committee has made no such investigation, because it has had no definite or responsible suggestion to the effect that these loans have not been securely made. Since this bill was presented I have heard some such suggestions, and I have personally made inquiry as to the justness of the criticism. I have been assured by the Farm Loan Board generally and the Farm Loan Commissioner specifically that there have been approximately 15,000 loans made, and that soon after the system began operation private interests obviously inimical to the farm-loan system had instituted a very persistent examination of the loans made, but that as far as the investigations of the board have gone—and they have been very thorough, a member of the board having gone in person to review the findings—there had been not more than half a dozen instances in which criticisms were justified. For example, it was suggested that loans were being made on worthless lands in Colorado and Arizona. The investigation by the member of the board who was dispatched to make the inquiry developed the fact that the loans were made on the grazing value of the land alone.

Mr. NORTON. Will the gentleman yield?

Mr. GLASS. I yield to the gentleman from North Dakota.

Mr. NORTON. In reply to the inquiry of the gentleman from Wisconsin, I will say that I take it that the Members from the different States where the system has been operating can speak for their respective States. When I take the floor I can give the gentleman all the information in regard to the working of the system in the State of North Dakota, which I have the honor to represent in part. I take it that the gentleman from Wisconsin is interested in the working of the system in his own State, and he can speak for that State.

Mr. LENROOT. Will the gentleman yield?

Mr. GLASS. I will yield to the gentleman.

Mr. LENROOT. I would like to ask whether the Committee on Banking and Currency has any information as to what percentage of the \$105,000,000 of loans approved by the board has been for the refunding of existing mortgages and what percentage has been for new loans?

Mr. GLASS. My recollection is that the Farm Loan Commissioner has said that at least 90 per cent of loans made have involved the refunding of mortgages.

Mr. LENROOT. May I ask another question? Does not the gentleman think that that is a very important consideration in appropriating money out of the Treasury, whether it is for refunding existing loans giving the farmers a lower rate of interest payable out of the proceeds of liberty bonds where the people have made great sacrifices?



Mr. GLASS. I fail to see the distinction between making one farmer an original loan at a fair rate of interest and making another farmer a loan involving a refunding proposition which may prove the salvation of his farm and the continuance of its effective operation. The gentleman will understand that the Government can not make a farm loan except on a first mortgage. If the farmer has a thousand-dollar mortgage on his farm upon which he is paying 10 per cent interest and he finds it difficult to proceed at that extortionate rate of interest—because it is extortionate—and the Government can contribute to the efficiency of the farming operation by loaning that man \$2,000 at 5 per cent, using \$1,000 to refund his old loan and the other \$1,000 for productive purposes, I see no objection to it.

Mr. HARDY. Will the gentleman yield for a suggestion?

Mr. GLASS. I will, except that I proposed to talk for 15 minutes only, and I have talked already 18.

Mr. HARDY. I simply wanted to say that money to take up existing mortgages may be incident to the purchase by the farmer of tracts of land for which they give to the owner the first lien, and that is taken over.

Mr. GLASS. And it arises in many instances, if not in most instances, from the inability or unwillingness of those holding the mortgages to renew at a fair interest rate such as has been compelled by the establishment of this farm-loan system.

Mr. HARDY. A man may wish to purchase a tract of land for which he can not pay the whole purchase price, but he can make the purchase through the assistance that the Government gives.

Mr. MONDELL. Will the gentleman yield?

Mr. GLASS. I will yield to the gentleman.

Mr. MONDELL. I desire to ask a question in regard to the interpretation of the paragraph of the bill, if the gentleman cares to yield.

Mr. GLASS. I think that had better come when we consider the bill by sections under the five-minute rule.

Mr. MONDELL. If the gentleman does not object, I want to call his attention to a view that occurred to me of a certain paragraph, and then we can discuss it later. The paragraph begins on line 8 and extends to line 13, page 2, of the bill. Is it the gentleman's understanding that that is a mandatory provision, or simply a suggestion and direction? The paragraph is as follows:

The bonds of any Federal land bank so purchased by the Secretary of the Treasury, and held in the Treasury under the provisions of this amendment one year after the expiration of the pending war, shall, upon 30 days' notice from the Secretary of the Treasury, be redeemed or repurchased by such bank at par and accrued interest.

Mr. GLASS. That is a Senate amendment, and I regard it as a mandatory provision.

Mr. MONDELL. The House bill is not punctuated in the same way.

Mr. GLASS. The House bill gives the Secretary of the Treasury discretion.

Mr. MONDELL. The punctuation is different, and it strikes me as doubtful whether the language of the House bill, punctuated as it is, would bear the construction of being mandatory; that it would be only permissive.

Mr. GLASS. The House bill gives the land bank the option to redeem—that is, to repurchase—these bonds at any time and gives the Secretary of the Treasury the option 12 months after the termination of the war to require the land banks, upon suitable notice, to redeem the bonds.

Mr. MONDELL. My thought was that if it was mandatory it was an important paragraph, and if so intended the language should be made a little clearer either by changing the punctuation so as to have it correspond to the Senate bill, placing a comma after the word "shall," or transferring it from line 11 to line 10.

Mr. GLASS. I suggest to the gentleman that we will be glad to have any suggestion, when we come to the consideration of the bill in detail, that will clarify its meaning, but I think now I would like to proceed with my statement.

Mr. WOOD of Indiana. Will the gentleman yield?

Mr. GLASS. Yes.

Mr. WOOD of Indiana. I understand that the Government has subscribed \$9,000,000 for the stock of the reserved bank.

Mr. GLASS. Yes.

Mr. WOOD of Indiana. The intention was that the stock should be taken by the public. Has the gentleman any information as to how much stock has been taken by the public?

Mr. GLASS. The gentleman is incorrect in his statement that the "intention was that the stock should be taken by the public." The expectation was that the Government would have

to take it all; and, practically, the Government has taken it all.

Mr. WOOD of Indiana. One hundred and eight thousand seven hundred and thirty dollars has been taken by the public.

Mr. GLASS. That is correct, and the Government has taken the balance of the \$9,000,000. I may say to the gentleman from Indiana that the capital stock of these banks is merely nominal; it does not amount to a drop in the bucket. The expectation was that the banks would be financed out of the proceeds of the bonds sold.

Mr. LONGWORTH. Will the gentleman yield?

Mr. GLASS. Yes.

Mr. LONGWORTH. Did I understand that there were only 15,000 loans made since the establishment of the system?

Mr. GLASS. Approximately 15,000; and out of the loans reviewed after it was ascertained that private interests hostile to the system were examining these loans, only half a dozen loans were reported to be subject to reasonable criticism.

Mr. LONGWORTH. I was only inquiring as to the number of loans made since the establishment of the system.

Mr. GLASS. Forty-six thousand have been passed on, my information is, and 15,000 have actually been made, totaling \$30,000,000. Commitments have been made on loans aggregating \$70,000,000 more, which the board thinks will be reduced to \$50,000,000 by reason of the fact that some of the applications have been withdrawn and others will be withdrawn. There are pending and under immediate consideration, with partial approval, applications amounting to \$65,000,000.

Mr. LONGWORTH. But so far only 46,000 individual farmers have received any benefit?

Mr. GLASS. That is my information.

Mr. LONGWORTH. Can the gentleman roughly state how many farmers there are in the country?

Mr. GLASS. I can not. I can state to the gentleman there have been applications aggregating approximately \$219,000,000 from all sections of the country. In Ohio \$763,000 have been applied for, and \$415,000 in loans have been approved.

Mr. LONGWORTH. It would seem under the circumstances that this system had not been of practical benefit to a large percentage of the farming community.

Mr. GLASS. It has been of material benefit, and it is becoming more and more of benefit every day. The system is in its initial stages.

Mr. FERRIS. Mr. Chairman, if the gentleman will permit an interruption there, I would like to suggest this thought, that it has reduced the interest rates nearly everywhere, and that of itself benefits those who do not get loans.

Mr. GLASS. It has reduced the interest rate to the farmer from one end of the country to the other.

Mr. WATSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. GLASS. As I stated, there have been applications for loans aggregating \$219,000,000. Sixteen million dollars have been applied for in the State of California; \$12,000,000 in the State of North Dakota—

Mr. WATSON of Pennsylvania. Can the gentleman inform me which State has been credited with having the greatest number of farm loans?

Mr. GLASS. I can briefly point out the distribution of loans. As I stated a moment ago, the State of California has applied—

Mr. WATSON of Pennsylvania. I do not want the State of California.

Mr. GLASS. I did not understand that the gentleman was asking for any particular State.

Mr. WATSON of Pennsylvania. I simply asked which of the States has had issued the greatest number of bonds?

Mr. GLASS. If the gentleman will wait a moment, I shall try to answer him. The State of California has applied for \$16,000,000 in loans, and has been granted \$1,452,000. At the time this table was made, \$4,958,000 of loans had been approved. The State of Kansas, I believe, has been granted more loans than any other State. Kansas applied for \$7,826,000 in loans and has had approved \$5,999,000, and has been actually loaned \$3,594,000. Has the gentleman any particular State in mind?

Mr. WATSON of Pennsylvania. Will the gentleman inform me how many bonds have been issued in the State of Texas?

Mr. GLASS. Yes. The State of Texas has applied for \$22,000,000 in loans, it has been granted \$1,145,000 in loans, and has had approved in pending loans \$11,488,000.

Mr. WATSON of Pennsylvania. Can the gentleman inform me what proportion of those bonds were sold within the State of Texas?

Mr. GLASS. I can not.

Mr. WATSON of Pennsylvania. The point I desire to raise is that the rate of interest in Texas is much higher than in many of the other States, and the farm-loan bonds being of a lower rate of interest, whether that is one of the reasons the bonds would have to be sold in other States and that the Congress must call on the Government for the purchase of those bonds.

Mr. NORTON. Mr. Chairman, if the gentleman from Virginia will yield, the gentleman from Pennsylvania has asked what State has issued the bonds. Is it not a fact that none of the States has issued the bonds, but that they are issued by the Federal loan bank?

Mr. WATSON of Pennsylvania. I know that; but the mortgages are on the property in those States, and I want to know how many mortgage bonds have been issued in the State of Texas.

Mr. GLASS. Mr. Chairman, I must decline to yield any further. I have been bombarded with questions, rendering it well-nigh impossible to make the concise statement that I desired to make.

The question is simple enough. If the Congress desires to say to the farming community of the United States, after having adopted a rural credit system which, for the first time in the history of the country, has enabled farmers to obtain loans at reasonable rates of interest and under satisfactory terms of payment—if the Congress wants to say now, when the system is caught in the vicissitudes of war, confronted by unprecedented difficulties which no man could have foreseen, that it shall suspend operations, it can make that decision by defeating this bill. The farm land banks are facing difficulties that are not properly related to the normal operation of the system—difficulties produced by a world war. If, because the system can not immediately surmount these extraordinary obstacles, Members are willing that the system shall suspend and its operations temporarily terminate, they may accomplish their purpose by rejecting this measure of relief.

In my own view, this ought not to be done. As previously stated, I am utterly opposed, in ordinary times, to this species of legislation; but in this unavoidable exigency, in these extraordinary times, I think it would be a great misfortune should Congress refuse to respond to the suggestion that temporary aid be extended to this system. Such refusal would mean something more than the mere suspension of a farm-loan system. It would mean, in my judgment, the embitterment of the entire farming community of the United States against the Government when the Government most needs the determined cooperation of all citizens. It would mean an impairment of our facilities for an immediate and efficient conduct of the war. Hence, temporarily putting aside my inherent objection to legislation of this sort, I very earnestly ask the House seriously to consider the grave consequence of withholding aid from this system at this critical time.

The reason that the banks are unable to sell bonds is, as I have indicated, that the investing public is holding off with the expectation that the interest rate must be increased or that the price of the bonds must be lowered. The contention of the Farm Loan Board is that if it is guaranteed reasonable assistance by the Government there will be a psychological change of attitude. The investing public, finding that the system may not be squeezed to death, that it will not be compelled from lack of funds to raise the interest rate or to lower the price of the bonds in the market, will, it is thought, immediately quicken its interest in bond buying. That the Farm Loan Board is measurably correct in its conjecture on this score I have not one particle of doubt. The symptoms are unmistakable. The only protest that I have had from outside sources against the proposed action by the Congress has invariably come from investment bankers, who, foreseeing that the farm-loan system is now, without any fault of its own, without sufficient funds, are trying to force it to raise the interest rates on bonds or to dispose of them at a lower market rate.

This is the whole question to be determined. There is nothing complicated about it. In brief, it is a question as to whether or not the Congress is willing that the system shall suspend by withholding this temporary relief. You will observe that the relief is absolutely temporary. It terminates at a fixed time and is for a limited amount. Otherwise I would not be here speaking for it. I reserve the balance of my time.

Mr. BANKHEAD. I desire to ask the gentleman one question before he yields the floor.

Mr. GLASS. I yield for a question.

Mr. BANKHEAD. Is there any authority contained under provisions of the bill authorizing the Secretary of the Treasury to sell these bonds to private investors pending the period when he is holding them?

Mr. GLASS. No; there is not, for the simple reason that if the Secretary of the Treasury could sell them to private investors the Farm Loan Board and bankers could do that.

Mr. DILLON. Will the gentleman yield for one question, which is very brief? Are these bonds free from tax?

Mr. GLASS. Absolutely free from tax. They are the best investment that can be obtained in this country, 4½ per cent bonds with the moral support of the Government of the United States behind them, absolutely free from taxation. Before the second liberty loan was placed the applications for bonds were a great many more than the Farm Loan Board was willing to accept.

Mr. DILLON. Now, the Government bonds being taxed under the recent enactment and these not being taxed, how does the gentleman explain that they have been a failure upon the market?

Mr. GLASS. They have not been a failure upon the market, because in four months' time \$30,000,000 of them were disposed of at a premium of 1½. In that time \$130,000,000 could have been disposed of had not the Farm Loan Board been excessively cautious. But for the intervention of this second liberty loan which, for the time, practically drained the reservoir of immediate investment funds, there would have been no difficulty on earth and the system would now be in no sort of trouble.

Mr. NORTON. If the gentleman will yield for an inquiry. As a matter of fact, during the month of December if a man wanted to buy \$1,000,000 worth of these 4½ per cent bonds from the Farm Loan Board, could he have gotten them?

Mr. GLASS. Oh, I think he could.

Mr. NORTON. Where?

Mr. GLASS. From the Federal Farm Loan Board, and from the bonding houses which were cooperating with the Farm Loan Board.

Mr. NORTON. As a matter of fact, were they allowed to sell them during December?

Mr. GLASS. Oh, I think so. They were allowed to sell them at any time. Members of the board stated to the committee that from patriotic motives they did not feel disposed to enter upon a rival campaign for the sale of them while the liberty loan was being placed.

Mr. NORTON. I desired to make that inquiry because of information that has come to me from different sources to the effect that absolutely no effort was made to sell these bonds, and bonds were not given out freely even while they were willing to be taken during December.

Mr. GLASS. Oh, every reasonable effort has been made to sell the bonds since it was ascertained that there was some difficulty in placing them; and, as I said, until we started on the second liberty loan, the board had more applications than it was willing to accept.

Mr. CANNON. Will the gentleman allow me? I have a little time and I am perfectly willing from my time that the gentleman should be recouped.

Mr. GLASS. I think perhaps I had a poor estimate of the time required for the discussion of this matter, and I apologize to my colleague, the gentleman from California [Mr. HAYES], for not freely yielding to his suggestion to give more time.

Mr. HAYES. The apology is accepted.

Mr. CANNON. The gentleman has just stated that the Government is morally back of these farm-loan bonds, and I will not discuss whether the farm-loan bond act originally was wise. We have it. Now, then, in the circular that was distributed lengthwise the opinion of Justice Hughes was quoted to the effect that this system of farm-loan bonds was an instrumentality of the Government. Now, the Government is to purchase these bonds, one hundred or two hundred millions of these bonds, from the Treasury, and does not the gentleman think that if the Government is morally back of these bonds and we pay out \$100,000,000 or \$200,000,000 from the Treasury that we had better have it in black and white that the Government, being morally bound, will see to it that these bonds are paid, so that there will be no question or opposition by private investors or those who desire to be lenders privately, or no other roadblocks, if there are to be roadblocks that might be brought?

Is it good policy now, to put it in black and white, if the Government is to enact this legislation—I repeat the question—to guarantee these bonds?

Mr. GLASS. I would say to the gentleman from Illinois that I do not agree with the opinion of Mr. Justice Hughes that the farm-loan system is "a Government instrumentality" or that it was intended to be a Government instrumentality. The Government, after considerable discussion, took a very limited temporary stake in the system. I do not agree with Judge Hughes's opinion that "the Government is morally bound" for these



bonds. But Mr. Justice Hughes is a very distinguished constitutional lawyer, a very discerning public man; and I had in mind his expressed opinion, which was requested by the investment bankers of the country when I stated a while ago that the Government was "morally behind the bonds." I think the country will accept Mr. Justice Hughes's opinion rather than mine. Nevertheless, I do not think the farm-loan system is "a Government instrumentality" nor do I think it should be one.

I do not think, except in just such an exigency as that with which we are now confronted, that the Government will ever have any need or a more intimate relation with the system than the temporary supervision which the act originally provided. I do not think the Farm Loan Board will ever, in ordinary times, have to ask the Government for any sort of aid. It would not now but for this war. Had it not been for these unprecedented liberty bond issues the farm-loan system would stand solidly on its own bottom and conduct business out of its own resources without any help from the Government or from any other source than that involved in the revenue derived from making farm loans at a fair rate of interest.

Mr. HAYES. Will the gentleman yield to me for one question?

Mr. GLASS. Yes.

Mr. HAYES. I would like to ask the gentleman if he has the opinion of anyone whose opinion is worth anything as to the constitutionality of this proposed act?

Mr. GLASS. No. It is proposing to do things that have been repeatedly done by the Congress of the United States, and in a very much more aggravated form, when it comes to the refinements of constitutional law. The Congress itself has made gifts of millions of dollars to other enterprises, whereas this is not a gift, but a loan. The President of the United States from that rostrum to-day advised the Congress that it may soon be called upon to make, practically, investments in railroad properties with a view to their efficient operation in this war exigency.

The Congress of the United States in the early period of the Government's history loaned every one of the thirteen original States millions of dollars, not one cent of which has ever been paid back. While I am not a constitutional lawyer, or a lawyer of any description, for that matter, I have no doubt of the constitutionality of this measure. But if it is not constitutional, my colleagues may be sure that the investment bankers who are opposed to its enactment will promptly take steps to test the validity of it.

Mr. MORGAN. Mr. Chairman—

The CHAIRMAN. Will the gentleman from Virginia yield to the gentleman from Oklahoma?

Mr. GLASS. Mr. Chairman, I have taken up so much time that I can not yield for further questions, and I reserve the balance of my time. [Applause.]

Mr. HAYES. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. McFADDEN].

Mr. McFADDEN. Mr. Chairman, I would ask the right to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. McFADDEN. Mr. Chairman, we are discussing this morning the Senate bill which has been substituted for the House bill. The Senate bill is S. 3235—and I ask that it be printed in my remarks at this point, together with the amendments made in the Senate—and the House bill is H. R. 7731.

The matter referred to is as follows:

A bill (S. 3235) amending section 32, Federal farm loan act, approved July 17, 1916.

Be it enacted, etc., That the Federal farm loan act, approved July 17, 1916, is hereby amended by adding at the end of section 32 the following:

"The Secretary of the Treasury is further authorized, in his discretion, upon the request of the Federal Farm Loan Board, from time to time during the fiscal years ending June 30, 1918, and June 30, 1919, respectively, to purchase, at par and accrued interest, with any funds in the Treasury not otherwise appropriated, from any Federal land bank, farm loan bonds issued by such bank.

"Such purchases shall not exceed the sum of \$100,000,000 in either of such fiscal years. Any Federal land bank may at any time purchase, at par and accrued interest, for the purpose of redemption or resale, any bonds so purchased from it and held in the Treasury.

"The bonds of any Federal land bank so purchased by the Secretary of the Treasury, and held in the Treasury under the provisions of this amendment one year after the expiration of the pending war, shall, upon 30 days' notice from the Secretary of the Treasury, be redeemed or repurchased by such bank at par and accrued interest.

"The temporary organization of any Federal land bank as provided in section 4 of said Federal farm loan act shall be continued so long as any farm loan bonds purchased from it under the provisions of this amendment shall be held by the Treasury, and until the subscriptions to stock in such bank by national farm loan associations shall equal the amount of stock held in such bank by the Government of the United States."

Sec. 2. That all acts or parts of acts inconsistent with this act are hereby repealed, and this act shall take effect upon its passage. The right to amend, alter, or repeal this act is hereby expressly reserved.

Senator WEEKS offered the following amendment:

"On page 2, after line 13, insert:

"Until all bonds so purchased by the Secretary of the Treasury have been so redeemed or repurchased no loans in addition to those now approved shall be made by Federal land banks except under special rules prescribed by the Federal Farm Loan Board, limiting further loans from funds derived from the Treasury to those made for the sole purpose of increasing food products."

Senator WEEKS offered the following amendment:

"In line 9, page 1, after the words 'nineteen hundred and eighteen,' I move to strike out the rest of that line and line 10 down to and including the word 'respectively'; and in line 4, page 2, after the figures '\$100,000,000,' I move to strike out the words 'in either of such fiscal year.'"

Mr. McFADDEN. It is my understanding that later, during the discussion of this measure, the House bill will be offered as a substitute for the Senate bill.

Now, a little over a year ago we enacted the farm-loan law. At that time I pointed out certain features of the bill which in my judgment would become unworkable. I might assume an attitude to-day of "I told you so." One or two of the vital points that I criticized at that time were that this system was cumbersome and that it would not work without Government aid. That position, I believe, has been thoroughly vindicated by the introduction of this measure to-day.

Now, let us look at this proposition. The first bank of the 12 that was organized under this system was organized in March, 1917. The first loan under the system was made last June, after the declaration of war. Now, what has happened since that time? The Federal Farm Loan Bureau has received and approved and are obligated for \$105,000,000 worth of loans. They have sold through investment bankers approximately \$28,000,000 of these bonds on a 4½ per cent basis, or par plus a premium of 1½ per cent.

In answer to a question which I put to the Farm Loan Commissioner, interrogating him as to the theory upon which this law was predicated and enacted, that one-half of 1 per cent would cover the cost of the operation of the system from the farmer to and including the sale of the bonds—in answer to my question as to whether or not they had kept within that limit, he informed me that the total cost had been 1½ per cent plus the 1½ per cent premium which was paid to the bond house, who paid par to the Farm Loan Bureau, making something like 2½ or 2⅝ per cent as the actual cost of the operation thus far, instead of one-half of 1 per cent.

Mr. WINGO. Will the gentleman yield?

Mr. McFADDEN. I will.

Mr. WINGO. The gentleman evidently does not want that statement to go as a statement of the Farm Loan Commissioner? The gentleman is certainly in error as to his understanding of what the Farm Loan Commissioner said.

Mr. McFADDEN. I would be glad to be informed.

Mr. WINGO. The gentleman by his statement has led the House to believe that the Farm Loan Commissioner gave the committee to understand that the cost of operating this system had been 2½ per cent. That is the only conclusion that can be reached from the gentleman's statement. The fact is the Farm Loan Commissioner did not make any such statement, because that is not the fact.

Mr. McFADDEN. Will the gentleman state what the fact is?

Mr. WINGO. If the gentleman will permit me, the fact is that the Farm Loan Commissioner, in reply to the question of the gentleman, stated this, that the experience of the board so far was that the system, when it got into full operation, could be operated for less than one-half of 1 per cent, but the overhead charges in the beginning, which the gentleman will very readily understand are heavy in the beginning, have run the expenses on the initial business up to 1½ per cent. But that included a lot of organization expenses that will not have to be incurred again. In the course of a year or so, spreading all the operating expenses out over the entire business, he thought the expense would get down to less than one-half of 1 per cent.

Mr. McFADDEN. That is also true; but when this law was passed we appropriated \$100,000 for organization expenses, and at the last session of Congress we appropriated \$260,000 to pay salaries and incidental expenses in connection with the operation of this system, and this was all in addition to what I have stated.

Mr. WINGO. Will the gentleman yield for a question right there?

Mr. McFADDEN. I regret I can not yield further. I have only a few minutes, and I want to finish my argument.

Mr. WINGO. We gave the gentleman's side extra time from this side.

Mr. McFADDEN. I beg the gentleman's pardon. I have only 15 minutes. It seems to me that in the operation of the system thus far the Farm Loan Board have not exercised ordinary business acumen in the sale of these bonds. These bonds appear to me to be a semi-Government obligation that should be put on a basis that would insure their sale to investors, and there would appear to be no more reason for the purchase of these bonds on the part of the United States than there would be for the Government to purchase its own bonds in an endeavor to make a fictitious market for its own securities.

Mr. Chairman, on the day that this bill came up for discussion, I introduced House resolution No. 206, calling upon the Secretary of the Treasury for information in regard to the Federal farm-loan system.

I had no ulterior motive in doing this, but was prompted solely because of the lack of information in regard to this system. I felt that the Members of the House should have other information than simply the letter of the farm-loan commissioner asking for an appropriation of \$200,000,000 before appropriating this vast sum of money in as critical a time as this, and especially so when the people of this country are denying themselves and are patriotically subscribing for thrift stamps, war-savings certificates, and liberty bonds, and in addition are paying heavy taxes for the purpose of winning the war.

So far as I am aware, there is no concerted move which has for its object the breaking down of the Federal farm-loan system. I am not opposed to the granting of loans to farmers for the purpose of increasing agricultural production, and I am not opposed to loaning to the farmers 50 per cent of the valuation of their property, providing the loans are in accordance with the intentions of this act. I am opposed to the operation of a system such as presented, which is under political control and domination, and which can not exist except by Government aid and support, which contention is fully justified by this bill.

Nor do I think that the farmers of this country are demanding or expecting in this critical period aid or assistance in this respect from the Government, and the enactment of this bill may be the basis of a serious criticism of this Congress and may be a factor in the sale of future liberty bonds.

The farmers of this country are patriotic and are supporting the Government to the fullest extent of their ability in the production of crops and foodstuffs, and are furnishing their share of the man force for the Army and Navy, and will continue to do so in this crisis. I do not believe the farmer is asking nor does he expect to receive a more favorable rate of interest than the commercial interests of the country at this time are paying. I am, therefore, firmly of the opinion that if the Federal Farm Loan Board had seen fit to raise the rate of interest on its bonds offered to the public there would have been no difficulty in the flotation of these securities during the past six months.

I am told that because of the very great prosperity in the farming sections of the South and West there is ample money to invest in these bonds, but not at the rates quoted on farm-loan bonds. Also that if the 12 banks had been permitted to do so (which privilege was withheld from them by the policy of the Farm Loan Board to sell the bonds) that large amounts could have been sold locally by them.

The very purposes that prompted the organization of this farm-loan system in the first instance are being defeated by this legislation. The purpose of the plan was to furnish a system for the farmer to enable him to borrow from the investing public under Government supervision money on the same basis that commerce was getting it and not from the Government Treasury, and upon no other basis. Now, the board after finding it impossible to sell their bonds to the investing public comes here and asks for an appropriation of \$200,000,000, and on top of that the board, I understand, is asking that the maximum which can be loaned to any one borrower be raised from \$10,000 to \$25,000. This will mean an increase of applications from the well-to-do farmer and speculator, and still further demands upon the Treasury of the United States.

I lay no special claim to being more patriotic than the average Member of Congress, but I do regard myself as fortunate wherein I represent a district which, while devoted almost exclusively to agriculture, yet at the same time no inflation in real estate values exists, as I will presently prove. I am, therefore, in a position to look at this important question from a sound economic viewpoint, not being carried off my feet by the terrible wall of the real estate speculator who paints the awful condition as resulting in case he fails to get into the Government crib with a pitchfork. I desire here and now to warn the Members of the House that if they permit the establishment of this precedent all the schemers who favor Government aid

will get into the crib, and there is no such thing as being able to satisfy this class once the door is open.

The fact that during the discussion of this bill in the Senate the proponents of this farm-loan act who had charge of the measure acquiesced in the amendment offered by Senator WEEKS, and by unanimous consent the House is now considering the Senate bill as amended, which amendment limits the appropriation in this bill to \$100,000,000, and further provides that this money shall be used exclusively for the increase of agricultural production, I believe eliminates partisanship entirely in the discussion of this measure, at least so far as the Senate is concerned, and I sincerely trust that every Member of this House will rise to the occasion and eschew all semblance of politics from the discussion of this important measure. This is not a political proposition, but an economic one, and should be considered and acted upon as such by this House.

History proves beyond all doubt that the class of people heretofore referred to have profited but by one argument, the sad argument of experience, after these teachings have brought ruin and destruction to the people. And the people of this century do not differ one bit from the people of the eighteenth century, a century in which more harm was done by inflation than any century since the advent of Christian civilization. Every important country in Europe was ruined during that century as a result of the pernicious practices of inflation. And the injury was not confined to merely financial ruin, but moral as well. Corruption and crime have invariably attended such action.

It was during the reign of inflation in England—to be exact, in 1693—that Speaker Trevor was expelled from the House of Commons for accepting a bribe of 1,000 guineas to secure the passage of a bill introduced in Parliament for means of satisfying the debts due by the city of London to the orphans, by their orphans' fund, aggregating some \$3,000,000. It took them much longer to bring the disaster to England which they brought forth in France. The people of the latter country were only four years in gulping down the fallacies of John Law and causing the bursting of his "Mississippi Bubble."

If there is any question in the mind of any Member of this House in regard to what inflation means, let him read the history of France from 1717 to 1721 and he will readily learn the evil effects.

I desire to call attention to a statement issued on December 31 by the Federal Reserve Board, being an appeal to the people urging thrift, having reference to the heavy financial burden that rests upon the country at this time, and that the Nation must have goods, and urging the people to save in every way, including food, clothing, and fuel, and thus enable our Government and our allied Governments to obtain goods with the requisite speed. As everybody knows, this is the most important factor at this juncture. Coal, copper, steel, and foodstuffs are cases in point.

The board says it can not have escaped the attention of the banks that since the beginning of the war deposits have increased at a rapid rate, and that loans, discounts, and investments have grown at an even more rapid rate. It is true that the Federal reserve holdings of gold have also increased to a point where they are larger than those of any other country, but the percentage of the gold reserves against the deposits and notes has decreased. This is a familiar phenomenon in time of war, and to a certain extent, perhaps, unavoidable, but it must, nevertheless, be our constant concern to keep every dangerous tendency in the banking situation under control and particularly to retard the too rapid expansion of banking credit as far as this can be done without jeopardizing the main business of the country at this time.

They further say that nobody should draw upon the credit resources of the country except to finance transactions which are essential for a national war. Credit should be saved as much as goods.

I would ask you to compare this statement with the bill now under discussion and ask you frankly whether or not this bill is in accordance with the suggestions of the Federal Reserve Board in this statement?

The board further says that gigantic operations of the Government will cause a further growth of bank deposits and loans. Our credit structure should therefore be strengthened as far as possible, and to this end the banks should lend their efforts toward three things:

- First. Absorption of Government loans by savings.
- Second. Conservation of credit for public and other essential uses, with curtailment of nonessential enterprises.
- Third. Increase of the gold holdings of the Federal reserve banks, so as to maintain an adequate basis for our growing credit structure.

I therefore argue that in conformity with the sentiment expressed by the Federal Reserve Board that the only argument



that can be used in support of this measure, which provides for an appropriation of \$200,000,000 from the Treasury at this time, would be that it would aid in winning the war by increasing agricultural production. This may be true as to possibly 10 per cent of the money, but the other 90 per cent will be used for the purpose of refunding existing loans. Unless this amendment is added the argument might possibly be made that it was necessary to relieve the Farm Loan Board from the obligation to take \$75,000,000 of loans, which should never have been promised in times like the past six months.

Mr. QUIN. Mr. Chairman, will the gentleman yield right there for a question?

Mr. McFADDEN. I regret I can not yield. I have only a few minutes left.

The CHAIRMAN. The gentleman declines to yield.

Mr. McFADDEN. During the continuance of this war we must do all we can to stimulate the production of foodstuffs, and nothing could be more conducive to that end than by Congress placing in the hands of the Federal Farm Loan Board \$100,000,000 with which to purchase Chilean or other nitrogen, seeds, and fertilizers, to be sold to the farmers at the lowest price and on such terms as would encourage them to use it plentifully. No one will deny but that that would increase the production of foodstuffs, and that is the only way we can hope to reduce their cost during the war. War is naturally wasteful, and do what we may in economizing in foodstuffs, still we can not counteract the effects of the waste of war unless we increase the supply.

In this connection I would point out here that the chairman of the Committee on Banking and Currency when interrogated replied, in answer to a question as to how much of this money was used for refunding purposes, that 90 per cent of it was used to refund existing loans now held by private investors, banks, insurance companies, loan companies, and so forth. Credit should be saved as much as goods.

If we authorize this appropriation without imposing the safeguard imposed by the Senate amendment, and these funds are used by the board for the purchase or refunding of loans or for the purchase of lands, we will commit an act of inflation which no Member of this House can justify. This is no time for Congress to authorize the use of Government credit for inflation, and if we begin it on the small scale provided in this bill there will be no end to such demands during the period of the war. We have some four billions of real estate mortgages in this country, and if Congress favors a few farmers with a low rate of interest, then it will be asked to so favor all farmers; and if we favor all farmers, why not favor all classes of business.

Why, \$200,000,000 would be a mere bagatelle in refunding the permanent investment of even the farmers, whereas \$100,000,000 used for the increase of farm production would accomplish wonders. The Government's demands for capital to carry on the war are so stupendous that they have impoverished the capital markets of the country, impoverished them to such an extent that it is impossible for the transportation companies to procure the means to make such repairs as are necessary to transport our war material. But the roads must be properly equipped to carry that and our foodstuffs, even if the Government must supply temporarily the capital to keep the roads running and do the work itself during the war.

But we should announce the policy that in no event will we employ the Government's credit to protect the credit of any business, however much such business may be in need of credit. In that way, and in that way only, can the Government protect its own credit. If the time comes when creditors ruthlessly foreclose land mortgages or other evidences of debt, Congress can afford the necessary relief by the establishment of a moratorium for the general public, just as it has already established it for the soldiers and sailors.

The strongest argument in favor of any land-mortgage system for the purchase of lands is sociological, to prevent tenant farming. But this is no time to solve sociological problems which violate sound economic laws, especially not with Government credit. Beggars should never play the rôle of philanthropists, and for the next few years our Government will be the greatest beggar the world ever knew. The poor man should not be encouraged to buy farm lands when they are inflated, and, speaking for myself, I wish to say that I shall not be a party to any such arrangement. This farm-loan law does not help the landless man, "the poor man," to own a farm; he must first be worth half the value of his farm at least before he can participate in the benefits of this law. This law benefits the big farmer by permitting him to borrow at a less rate than the business man.

I would like the attention of the House for a few minutes while I point out how the bill under consideration will lead to

inflation unless we adopt the Senate amendment. I shall not trespass on the patience of the House by making an extended argument on inflation and all the causes which produce that result, but this bill is such an important one that I must ask your kind indulgence while I give a few illustrations on inflation.

Definitions of any science are quite difficult to frame; that is to say, a definition which will meet every phase of the subject under all conditions. One definition of inflation which is doubtless familiar to all is the causing the price of an article to advance without a corresponding increase in its productivity. Any and every facility afforded for the purchase of a permanent investment will produce inflation, but any and every facility used to increase the productivity of a permanent investment will have the opposite effect.

To illustrate, suppose I lend a man money for the purpose of buying a piece of land and he makes such purchase. By that act he took that piece of land off the market, and in consequence caused the other lands in that vicinity to advance in price, and that without increasing their productivity. But suppose that instead of lending him that money to purchase that land I let him have it to buy fertilizers with and he had used it for such purpose and actually put them on the land and cultivated the land in such a way as to make those fertilizers useful. If the year be a seasonable one that loan would result in increasing the productivity of that land and become a blessing not only to the individual who obtained the loan for such purpose but to the community as well. So it is the use to which capital or credit is placed which counts. If it be used merely to change the ownership of a permanent investment, something which is already created, nothing is done to create value, and if that act advances the price there can be nothing to the transaction but inflation, and the public must pay for that without realizing any benefit in return.

The man who furnishes capital or credit for the production of agriculture or commerce, or for the distribution of those commodities through the various channels until they reach the ultimate consumer, is a public benefactor, because he has furnished the facilities for the creation of actual wealth.

It is pretty well agreed that lands in some sections of the country have become inflated during the past few years almost to the breaking point. To illustrate this I wish to present a table compiled from the 1910 census reports for the States of Iowa, Illinois, Indiana, and Pennsylvania, which I wish to incorporate with my remarks.

*Value of farm lands in 1900 and 1910 and value of all farm products in 1909, and ratios of the values of such products in 1909 to such land values in 1910, according to the last United States census (1910):*

State.	Value of farm lands in 1900.	Value of farm lands in 1910.	Value of farm products in 1909.	Ratio of 1909 products to 1910 land values.
				<i>Per cent.</i>
Iowa.....	\$1,256,751,980	\$2,801,975,729	\$314,666,298	11
Illinois.....	1,514,118,970	3,090,411,148	372,270,470	12
Indiana.....	687,633,460	1,317,195,448	204,209,812	15
Pennsylvania.....	575,392,940	630,430,010	166,739,898	26
Fourteenth Pennsylvania congressional district.....	26,228,240	22,909,425	8,786,903	38

*Number of counties in the above States which increased and decreased in population between 1900 and 1910.*

State.	Number of counties which increased in population.	Number of counties which decreased in population.	Total number of counties.
Iowa.....	28	72	100
Illinois.....	52	51	103
Indiana.....	31	60	91
Pennsylvania.....	46	21	67

*Land and crop values of the fourteenth congressional district of Pennsylvania, given by counties.*

	Bradford.	Susquehanna.	Wayne.	Wyoming.
Land values:				
1910.....	\$9,517,220	\$6,213,198	\$4,383,837	\$2,845,170
1900.....	11,506,340	6,548,760	4,991,840	3,091,300
Value of crops for 1909.....	3,594,664	2,543,845	1,729,427	918,967

This table shows that the values of the farm lands of Iowa increased from \$1,256,751,980 in 1900 to \$2,801,975,729 in 1910,

or 115 per cent; those of Illinois from \$1,514,118,970 in 1900 to \$3,090,411,148 in 1910, or 104 per cent; those of Indiana from \$687,033,460 in 1900 to \$1,317,195,448 in 1910, or 92 per cent; that of Pennsylvania from \$575,392,940 in 1900 to \$630,430,010 in 1910, or 9 per cent; while those of the district I have the honor to represent on this floor actually decreased from \$26,228,240 in 1900 to \$22,909,425 in 1910, or a decrease of 12 per cent.

That makes out a pretty bad case for my district on paper, but only on paper, because the same census reports show the value of the farm products produced on those lands during the year 1909. The values of those products in proportion to the 1910 value of those lands were as follows: Those of Iowa, 11 per cent; those of Illinois, 12 per cent; those of Indiana, 15 per cent; those of Pennsylvania, 26 per cent; while those from the fourteenth Pennsylvania congressional district were 38 per cent.

Let us look at that from another viewpoint, that of the time required to purchase those lands. Let us assume that the labor cost of producing those crops and interest on the investment to be 50 per cent of the annual yield, or the value of the 1909 crops. Under that assumption the lands of Iowa would be nearly a 20-year purchase; those of Illinois, nearly 17 years; those of Indiana, nearly 14 years; those of the State of Pennsylvania, less than 8 years; and those of the fourteenth Pennsylvania congressional district a little over 5 years. It will be observed, therefore, that the fourteenth district does not show up so bad when the real test is applied, the test which takes into consideration the hard toil required to pay for those lands, and that is the only real test.

I do not give the statistics of my district for the purpose of advertising it, for it needs no advertising at my hands. I give them for the sole purpose of showing that there was no speculation to speak of in farm lands in my district during the decade in question. Hence it is that I have no land speculators "prodding" me to vote for this bill. I do not use the term "prodding" in an offensive sense, for I believe that every Member should be amenable to the healthy public sentiment of his district, but every Member should be sure that the sentiment is a healthy one. The sentiment which actuates the inflationist is the most harmful sentiment which can pervade a community or State, and all who yield to that sentiment do much harm. Therefore I plead with every Member on this floor, irrespective of party affiliation, to resist the plea of the inflationists who are behind this bill. Inflation is only caused by the use to which money is put. It is the use and not the money that is responsible for the cost of increase in prices. That inflation is giving the administration some concern is evidenced by the recent statement made by the Secretary of the Treasury cautioning the people against the use of thrift stamps, war-savings certificates, and liberty bonds in settlement of commercial transactions, and so forth. He warns the public not to treat this medium as you would treat circulating notes or money.

The real truth of the matter is that thrift stamps issued in denomination of 25 cents, war-savings certificates in denomination of \$5, and liberty bonds in denominations of \$50 and multiples thereof are being used to-day the same as currency or bank credits, and if the practice continues an inflation equal to the amount of the securities so issued can not fail to take place. Thus the Secretary of the Treasury very wisely warns the people to discontinue this practice, which has grown up innocently with a desire on the part of the people to popularize the purchase of these securities and to encourage the people to save and invest in thrift stamps.

There is another tendency along this same line, and I want to call the attention of the House to it in this discussion, and that is the attempt on the part of many banks and bankers throughout the country to make municipal, railroad, and other first-class bonds available for rediscounting purposes with the Federal Reserve System in giving to them the same rights as commercial paper has at the present time.

This is an attempt to make liquid fixed assets, such as real estate and permanent improvements by municipalities, railroads, and so forth. If this were permitted, it would, in my judgment, lead to a serious abuse and inflation and should not under any circumstances be permitted.

The activity of the circulating medium should be limited to the requirements of business, and in this connection every transaction of a commercial nature should carry with it its own source of relief. When that transaction is closed and finally settled the circulating medium should automatically retire.

I mention this at this time because there is sleeping quietly in the Banking and Currency Committees of the House and Senate a bill to accomplish this very result, namely, to make railroad bonds, municipal bonds, and so forth, the basis of

rediscount and the issuance of Federal reserve notes, and such a measure should never pass.

At the proper time during the discussion of this bill I propose to offer amendments which will provide that this money if appropriated shall be used for the purpose of increasing agricultural production and not for the purpose of refunding existing loans in accordance with and in support of the argument which I have made. I will also offer an amendment providing that the Secretary of the Treasury shall within two years after the expiration of the war dispose of or compel the Federal Reserve Board to repurchase all of the bonds remaining in the Treasury of the United States at that time. I do this for two purposes. The first is in conformity with the argument that this contemplated purchase of bonds is only temporary and the purchase is made because of the fact that the United States is monopolizing the money market, and, second, to do away with the control over the system by the Secretary of the Treasury and return the management of the banks to the stockholders, under whose management and direction the system should be properly conducted.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. McFADDEN. I ask unanimous consent, Mr. Chairman, for 10 minutes more.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to proceed for 10 minutes more. Is there objection?

Mr. SHOUSE. I object, Mr. Chairman.

The CHAIRMAN. The gentleman from Kansas objects.

Mr. HAYES. Mr. Chairman, I will yield to the gentleman three minutes more, if that will help.

Mr. McFADDEN. Three minutes more will not cover it, so I had better quit.

Mr. HAYES. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. PLATT].

The CHAIRMAN. The gentleman from New York is recognized for 10 minutes.

Mr. PLATT. Mr. Chairman, there is no question before us, in my opinion, of the suspension of this farm-loan system. There is no danger whatever that it will suspend. It does not make the slightest bit of difference, in my opinion, to the Federal Farm Loan Board or the system whether we pass this measure or not. The Federal Farm Loan Board has by no means exhausted its efforts to sell these bonds. In fact, it is not too much to say that they have not made any real effort to sell them. They have turned away bids for more than \$100,000,000 worth of bonds, and now they come in on their bended knees to us and ask the Government to sell liberty bonds and use the proceeds to purchase farm-loan bonds. I think it is unnecessary and absurd, and it ought not to be done.

I believe the farm-loan system will stand on its own feet if given a chance.

I have sufficient confidence in Mr. Norris, at the head of the Farm Loan Board, to believe that he could go to New York City and sell \$100,000,000 of these bonds himself in 24 hours. He has not tried to do it.

What have they done in regard to this business? They first fixed a uniform rate of interest—5 per cent—for mortgage loans in all districts, though the law does not require a uniform rate. The Federal reserve banks do not give uniform rates in all districts in rediscounting, and I think it fair to say that Congress did not expect that a uniform mortgage rate should be given in all districts, regardless of local conditions and risks, in the administration of the farm-loan act.

Then they tied themselves up with contracts to four bond companies to sell these bonds at a fixed price, on a 4½ per cent basis, and they did that under war conditions, knowing that liberty bonds were being sold and that no power on earth could hold down the rates of interest with the enormous borrowings that the Government is making. These 4½ per cent tax-free bonds are so good that there was a big demand for them at first, and the fixed contract price worked all right until the second liberty loan sale. Then it naturally proved a serious hindrance.

Mr. MADDEN. If they do not sell these bonds through these bond houses with which they have made the contracts, they can not sell them at all—is that it?

Mr. PLATT. That has been the case up to New Year's Day. They made a contract which was good until the 1st of December, and Mr. Norris told me and told members of the committee under questioning—I do not think those hearings are printed yet, but we asked him a good many questions—that the bond companies were bound under a gentleman's agreement for 30 days beyond the period of the extension of the contract not to sell the bonds at a lower price, and that the farm-land banks were also bound.



Now, these companies have got on hand something over \$1,000,000—I think \$1,500,000—of these bonds. I do not know whether one reason for the introduction of this bill is to get the Government to take these bonds off of their hands or not. It will not hurt these bond houses—all big, prosperous institutions—to have \$1,500,000 of 4½ per cent tax-free bonds on their hands.

Now, just a word as to the possibility of selling these bonds. When I was over in New York during the holidays I was talking with a director of one of the big insurance companies, and I asked him whether he had ever heard of these 4½ per cent tax-free bonds, practically as good as Government bonds, and he said he never had heard of them. He said there should be no difficulty in placing \$100,000,000 of them with the big insurance companies and other concerns which are looking for that kind of investments, and he said he would bring it up before his company. But the Farm Loan Board has before this refused to sell these bonds to those people. They have turned down every offer that has been held out for large blocks of the bonds. They were bound by a wooden contract up to January 1 to sell these bonds in small lots on a 4½ per cent basis, when they can not probably any longer be sold on that basis. Then they come to the United States Government and ask us to underwrite or buy \$100,000,000 of these bonds each year for two years; and as the first bill which came to us was written, it looked as if that \$100,000,000 was to be paid out of the Treasury each year for good and all unless the land banks took it on themselves to redeem them.

Mr. GLASS. May I ask my colleague if he thinks it is exactly advisable to take the irresponsible statement of any one man that such and such a thing can be done, against the official declaration that it can not be done? I ask that question because a colleague of mine in the House said to me the other day that he knew these bonds could be disposed of easily, and he gave me the name of a banker in his State who, he said, would take \$100,000 of them. I immediately gave that banker's name to the Farm Loan Commissioner, but at last accounts the bonds had not been taken.

Mr. PLATT. That is a different proposition from going to New York and trying to sell these bonds to the big insurance companies and the people who have got the money to buy them. They have not heard of them at all. The board has not tried that at all. Mr. Norris said so under questioning from me and from other members of the committee. They have not tried to sell these bonds to the people who have got the money to buy them with, 4½ per cent tax-free bonds. Surely they can be sold when 3½ per cent tax-free liberty bonds sell at 98.50 and above.

Mr. GLASS. Did not Mr. Norris say that it was the policy of the board not to put a great amount of these bonds with the wealthy corporations, but to disseminate them in small amounts throughout the United States?

Mr. PLATT. Yes; he did.

Mr. GLASS. The purpose being to enlist all the people in the investment securities of the farm-loan bank, and to have them interested in the banks.

Mr. PLATT. He did say that, and I have no criticism of that as an initial policy when all was going well.

Mr. GLASS. That was when no difficulty was being experienced in placing these bonds; but the board has tried repeatedly every sort of expedient to place the bonds since the 1st of November, when they began to experience difficulties on account of the liberty loan, and they have not been able to do it.

Mr. PLATT. Yes; but they have tried to sell them under the fixed wooden contract price which they had with the bond companies. They could not break it and the bond companies could not break it; but now the contract has expired, and they are free to go out and sell these bonds; and I say we ought not to give them a cent until they go to New York and try to sell these bonds at par. I have no doubt they can sell them.

You can talk to investors, men who have money to invest, and ask them if they have ever heard of these 4½ tax-free bonds, and not 1 in 50 has ever heard of them. They are practically as good as Government bonds. There are some Members of this House who have got money to invest, and I have asked them if they had ever had any of these bonds offered them, and they said they had not.

Mr. GLASS. Yes; and a Member of this House said he would take \$100,000 of them, but he has not done it.

Mr. PLATT. I do not know anything about that, but there is scarcely a man in this House who has had any opportunity to buy them. I would not mind buying a few of them myself, but they have never been offered to me, and I would not know where to go to buy them. They are not quoted in any of the financial markets or exchanges, so far as I have ever seen.

Mr. MADDEN. The gentleman talks about a wooden contract. What does he mean by a wooden contract—a contract with a man who is wooden from the chin up?

Mr. PLATT. I mean that the bond houses and the banks were bound to a fixed price regardless of conditions. They would not let the farm-loan banks sell their bonds as they ought to be allowed to do. The Kansas banks had a chance to sell their bonds above the fixed price, and the Farm Loan Board would not let them do so, I am told. They insisted that the bonds must be sold at a fixed price through the bond companies.

Mr. MADDEN. Are the men who are managing the Farm Loan Board competent?

Mr. PLATT. I believe Mr. Norris is a good man, and I have no criticism of the way they started the thing off. The contract was perhaps good policy as a beginning, when the land banks were busy with organization problems, appraisals, and so forth.

Mr. MADDEN. Why should the Treasury of the United States be called upon to furnish money to buy these bonds?

Mr. PLATT. It should not be.

Mr. MADDEN. Does the Government of the United States guarantee these bonds?

Mr. PLATT. No; not in terms, but the Government furnished the \$750,000 with which each of the 12 banks began business.

Mr. MADDEN. The Government is not responsible for the bonds, except morally?

Mr. PLATT. No; except morally. I do not know that one can fairly say it is even morally responsible, but the banks are under Government control.

Mr. MADDEN. In what section of the country have most of the loans been made?

Mr. PLATT. Kansas has the largest amount so far—\$3,594,000.

Mr. MADDEN. Has any been loaned in the very rich agricultural sections of the United States?

Mr. PLATT. Well, I will say that the great and prosperous State of Iowa has only had \$96,000 loaned to it.

Mr. GLASS. Mr. Chairman, may I interrupt to answer the question of the gentleman from Illinois? He wants to know in what States these loans have been disposed of. The State of Illinois applied for \$1,697,000.

Mr. MADDEN. That is a small amount of money for that State.

Mr. PLATT. The applications for loans do not count for a great deal. The loans already made count for more than the applications. Illinois has so far received \$186,000. Many people will apply for a loan at a low rate of interest who do not greatly need the money. There is no great urgency among the farmers to borrow money. I questioned Mr. Norris, and he admitted that the \$70,000,000 in mortgage loans which they consider the land banks are morally bound to furnish at the 5 per cent interest rate, having already approved them, will shrink to \$50,000,000 and has already shrunk to about \$50,000,000.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HAYES. I will yield to the gentleman three minutes more.

Mr. PLATT. As I say, that \$70,000,000 has already shrunk to \$50,000,000, which is a big shrinkage, because when a farmer asks to borrow \$5,000 and they will not let him have but \$4,000, he generally says he does not want any loan. Many farmers are paying mortgages instead of borrowing, and most of the loans made by the land banks go not for increased agricultural production but to refund or pay old mortgages.

Mr. MADDEN. Is it not easier for them to borrow from the private banks?

Mr. PLATT. No; I do not think so; 5 per cent is a low farm-mortgage rate, particularly at this time.

Mr. MADDEN. Is not there an additional charge made by the banks?

Mr. PLATT. Not by the farm-land banks, though there may be by private banks.

Mr. MADDEN. Do not they charge 1 per cent in addition?

Mr. PLATT. Oh, I could talk for an hour about the additional charges that are made to the farmer by some lenders of money. My point is that there is no necessity for the passage of this act. This Government bond-purchasing plan is exactly the same thing that the gentleman from Virginia [Mr. GLASS] and myself, the gentleman from California [Mr. HAYES], and others, sound-money Members, stood against in the Sixty-third Congress. The Bulkley bill provided that the Government should buy the bonds. The President was against it and we were against it, and after a strenuous struggle we prevented its being reported.

Mr. GLASS. If the gentleman will pardon me, the Bulkley bill put no limitation on the amount of bonds the Government might acquire. It was a cumulative proposition and might have involved the Government in billions of dollars expenditure.

Mr. PLATT. That is true, and nobody knows what this will entail. No power on earth can keep the interest rate down. There will be another liberty bond issue, and the interest will probably be above 4 per cent. What this amounts to is to have the Government buy these bonds to keep the market price up. Why does not the Government go into Wall Street and buy liberty bonds which are selling at 97?

Mr. GLASS. Well, that is one way of stating it, and another way is to prevent people who would naturally invest in the bonds from squeezing the system, in extraordinary circumstances, by forcing the price of the bonds down and the rate of interest up. That is another way of stating it.

Mr. PLATT. Yes; that is another way of stating it; but the contract for the sale of these bonds has only expired a few days ago, and no effort has been made to sell the bonds without restrictions on their merits as a gilt-edged 4½ per cent tax-free security. It was all right at the beginning to sell the bonds in small lots all over the country, in lots of not over 6,000, but under present circumstances it is far better to sell them to people who have the money to purchase them than to ask the Government to bolster them up.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. GLASS. Mr. Chairman, I will yield the gentleman enough of my own time to answer a question. The gentleman has perfect confidence in the sincerity and character and ability of Mr. Norris?

Mr. PLATT. Absolutely.

Mr. GLASS. Does not my friend know that Mr. Norris and the Farm Loan Board will not ask the Secretary of the Treasury to exercise this power to the extent of one dollar if they should find that they can sell the bonds to individuals? Is not there an avowed purpose to sell them to individuals, and did not they express the conviction that they can sell them to individuals if they may be fortified by this guaranty of the Government to take them if in the future they do not sell them to individuals?

Mr. PLATT. Yes; but I believe that they can sell to individuals without the guaranty, and I think they should try that first.

Mr. HAYES. Mr. Chairman, I yield five minutes to the gentleman from Michigan [Mr. FORDNEY].

Mr. FORDNEY. Mr. Chairman and gentlemen, I am opposed to this measure, because I do not see any merit in it at this time especially. This is a proposition to induce the Government to put \$200,000,000 into this farm-loan proposition at a time when the people of our country are called upon for more money than ever before in the history of the Republic, at a time when money is much more needed to carry on the war than it is to further this particular banking system. In the first place, I have little or no faith in the system at any time, for I do not believe the Government gets legitimate loans generally, at least not so much so as do the local banks and local money lenders. I am led to that belief by a great many things that have transpired and come under my observation, and to one I desire to call your attention, which to me is a most striking illustration of the merit of this proposition. Three years ago I sold a piece of land for \$2.50 per acre. It was cheap stump land, from which the valuable timber had been cut and removed. I sold that land on contract. The contract has not yet been fully paid. No improvements have been made on the land and there has been no change in its value whatever, except as it may have enhanced in value through time that has elapsed since then. I was advised the other day by the man who had purchased that property from me that he had made application for money from the Government on a mortgage on this property at \$15 an acre, and that he wanted to take up his contract. Can you tell me that there is merit in such a loan? Why, he can not borrow such a sum on that land from any money lender in the vicinity of the land, because they know the value of that property better than does any outsider.

Mr. NORTON. Will the gentleman say that that loan was approved at \$15?

Mr. FORDNEY. No; I do not. He gave me notice that he was going to pay up on his contract, and he said he was getting the money from the Government at \$15 an acre on a mortgage on that property.

Mr. NORTON. Will the gentleman give a description of that land, so that it may be investigated?

Mr. FORDNEY. No; I will not. I can not do that. I ask the gentleman to take my word for it.

Mr. NORTON. The gentleman does not say that the loan was approved for \$15.

Mr. FORDNEY. I do not say anything of the kind. I say that he has notified me that he is going to borrow the money

from the Government at \$15 an acre and wants a deed from me at \$2.50 an acre. Let me tell you another thing. The people of this country are called upon to support our men on the battle field right now, at a most critical period in the history of this country, and the money to be subscribed in the purchase of Government bonds and the taxes to be paid by the people of this country this year is two and a half times the amount of all the money in circulation in the United States, as shown by the statement of the Treasury Department. You are coming in at a time when it is not necessary and calling upon the people of the country for \$200,000,000 to put in an investment of this kind, when the money is not needed as badly, you will all admit, for this purpose, as it is to sustain our boys on the battle field. Think of it! The Treasury Department shows that there are about \$5,000,000,000 of money in circulation. That is not all the money in circulation; there is far more than that—double that amount—but I say that is the amount the Treasury Department shows is in circulation in the country, and we are going to call upon the people this year for from twelve to thirteen billion dollars to purchase United States Government bonds and in direct taxes. The taxes the people will pay under existing law this year will call for 80 per cent of all of the money in circulation in this country as shown by the Treasury Department.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HAYES. I yield the gentleman one more minute.

Mr. FORDNEY. Mr. Chairman, I think it is exceedingly unwise legislation at this time, when the people of the country are called upon for so much to sustain our Government, in time of war. This can be easily passed over until after the war, and then be intelligently, carefully, and sanely considered at a time when this kind of legislation may be needed more than now. [Applause.]

Mr. HAYES. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. CAMPBELL].

Mr. CAMPBELL of Kansas. Mr. Chairman, it would be useless now to endeavor to call a halt upon the raids that are being made on the Treasury of the United States. It would be useless also to suggest that we have a fundamental law known as the Constitution of the United States. Apparently that great charter has been lost. Upon the impulse of the moment we appropriate millions out of the Treasury without regard to the provisions of our great charter, and to the authority that the Congress has. Even fundamental political principles adhered to for more than a century by the dominant political party have been thrown to the winds. The doctrine of the rights and the duties of individuals and of the States has been forgotten. Everything now goes out from Washington. All authority is centered here. The Treasury is to the whole people now what the Government in 1840 was to the red man—the Great Father. It is useless at this time to undertake to call a halt upon these matters. At this time we are asked for \$100,000,000 this year and \$100,000,000 next year to buy farm-loan bonds. As a matter of policy, as a matter of constitutional right, it is quite as feasible and proper to do that as to lend \$1,400,000 to the State of Tennessee, as was done by the Secretary of the Treasury a few years ago, or in a few weeks from now to lend millions to the railroads, as was suggested by the President a few moments ago we would be called upon to do. We are borrowing money from everybody who can lend; we are taxing the people by every possible method of taxation, for the purpose of raising money to carry on the war. The Treasury is not overburdened with money to carry on the great activities of the Government itself, and yet we are asked to take out of a needed fund for war purposes \$100,000,000 to bolster up a failing scheme. If this were for the purpose of lending money to the farmers of the United States to carry on the next year's crop, I would not say a word in opposition, but it is for the purpose of enabling loans to be made for 30 years, out of moneys borrowed and raised by taxation to carry on the war. We are not acting in good faith with the people of the country who loaned this money and paid the taxes. The Secretary of the Treasury quarreled with the Farm Loan Board three months ago because the banks that had been designated by the Farm Loan Board were offering to sell these same bonds at a time when the Government was selling its securities—liberty loan bonds—to raise money with which to carry on the war.

And now, in three months, the Secretary of the Treasury asks the Congress to appropriate \$100,000,000 this year and \$100,000,000 next year out of money raised by the Government to carry on a war to buy bonds issued by the farm-loan banks. It is said my own State has been the largest borrower. The principle involved may not now be questioned, as I have before



stated, but the policy at this time of taking money out of the Treasury that was borrowed to carry on the war may be questioned and ought to be questioned and this matter ought not to have been thrust upon the Congress by the Secretary of the Treasury or by the Farm Loan Board or by anyone else. It is unwise and I believe unpatriotic at this time to ask Congress to take money out of the Treasury for other purposes that was secured by taxes or by loans for war purposes.

Mr. QUIN. Will the gentleman yield?

Mr. CAMPBELL of Kansas. I am sorry I can not. I have here a sentiment I want to read. I have received many letters of protest against this bill:

The farmers are not asking this appropriation of \$100,000,000 to buy farm-loan bonds. It is a device of the Federal Farm Loan Board to help get themselves out of their embarrassing financial difficulty. The farmers throughout the country generally never were in a more prosperous and better financial condition than now. All kinds of farm products sell at high prices, farm lands are in demand and selling at increased prices, the legitimate wants of the farmer are being taken care of now and will be in the future as they have been in the past, without borrowing from the United States Government.

This is but an extract from one of the many letters I have received in protest against the bill.

Mr. GLASS. Letters from farmers, may I ask?

Mr. CAMPBELL of Kansas. No; but I have not had a request from a farmer in the State of Kansas to support this measure, not one.

Mr. GLASS. Is not that because they assume, of course, the gentleman will do it? [Laughter and applause.]

Mr. CAMPBELL of Kansas. I will say this to the gentleman from Virginia, that while the Government lends money to States, as it did to the State of Tennessee, and lends money to the railroads, as the President says we must in the near future, if it is lawful or wise policy for those purposes, the right of it can not be questioned when it comes to loans to the farmer, but I say in all conscience, and I believe I express the sentiment of the gentleman from Virginia, that it is untimely to ask Congress to take \$100,000,000 out of the Treasury at this time that was placed there to carry on the war to bolster up the farm land-bank scheme.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. GLASS. Mr. Chairman, I yield 10 minutes to my colleague from South Carolina [Mr. STEVENSON].

Mr. STEVENSON. Mr. Chairman, the gentleman from Kansas [Mr. CAMPBELL] closed his remarks by reading a statement from somebody who does not seem to have been a farmer, stating that the farmers were not asking for this and did not need it. The farmers are asking to the extent of \$100,000,000 for loans with which to relieve themselves from encumbrances that they can not relieve themselves of otherwise, unless, as his correspondent suggests, they sell their farms; and when they sell their farms the correspondent says that the farm lands are bringing a good price; therefore when he attempts to continue to farm by buying another he finds the price of the farm that he wants to buy put up so high that he is squeezed out of the farming business; and now they are asking that loans be provided in order that they may have funds with which to liquidate these debts and enable them to go on. This statement of his correspondent that the farmers are in a good and prosperous condition is partly true, but as to the section of the United States from which I come, it is just beginning to recover from the enormous loss, which Congress said it could not help them to avoid, brought about by this war, when in 1914 they marketed the crop of cotton at a loss of \$480,000,000, and many a farm was mortgaged as a result, and they have not had a prosperous time sufficient to rehabilitate themselves. They made 16,000,000 bales of cotton in 1914, and it cost the average farmer at least 12 cents a pound to make it—\$60 to the bale—and the people got, on an average, \$30 for it. They have never recovered, and they are to-day facing demands from England and elsewhere, from the mortgage companies, that they liquidate their mortgages, and they have got to do it in this way or not at all. Now, are these bonds safe? If they are not, who is responsible? This Congress enacted this act, and in the 27th section it provided the Federal reserve banks should have the right to buy and deal in them. Well, if they are not a safe security, why allow the great financial institutions handling the commercial credits of this country to deal in them as assets on which our currency should be based? Not only that, but is it just that we should do something for them, and is it propitious now? We have got to do one of two things, to allow these farm-loan bonds put upon the market in competition with the United States loans that are being made and asked for for the purpose of helping until this war is over—we have got either to do that or we have got to take it out of the Treasury of the United States; and I say we should not put the Farm

Loan Board in competition with the Treasury of the United States, and the President this morning in this apt language expressed exactly the principle that should govern us now when he said:

No borrowing should run athwart the borrowing of the Federal Treasury.

Mr. PLATT. Will the gentleman yield?

Mr. STEVENSON. I will.

Mr. PLATT. How is this \$100,000,000 going to be raised if we do not borrow it on the credit of the United States?

Mr. STEVENSON. We borrow it on the credit of the United States, along with the billions that we are borrowing to loan to France, England, and other countries. We hear no protest against that. We hear no protest when we find that the Government is preparing to loan money to keep the railroads running; and I submit that if we are going to loan money to the railroads to keep them running, it is high time we began to take care of the men who produce that which will move upon the railroads and which is absolutely necessary to maintain the railroads, the people, and the army at the front.

Mr. PLATT. Will the gentleman yield again?

Mr. STEVENSON. Yes.

Mr. PLATT. Does the gentleman agree to have the Government seize the farms and run them for the benefit of the people as it has the railroads?

Mr. STEVENSON. The Government has not found that necessary, because the farmers have shown their capacity, if given proper credit and given the proper facilities, to run their farms so as to support this great Government; and they responded last year in a way that has far exceeded the ability of the railroads or anybody else to demonstrate their patriotism in this country.

Mr. MOORE of Pennsylvania. Could not the railroads do that, too, if they had that much credit from the Government?

Mr. STEVENSON. They have had much more than the farmers have had. They have had their credit in the money center of New York; and when in 1907 we had a panic, preceded by speculation in securities in New York, the farmers of the South paid for it in the prices of their cotton, and the money that we had in New York we could not get, for the Treasury of the United States put \$100,000,000 there in order to maintain the values of the stocks of the railroads and of the bonds of the great corporations. [Applause.]

Why, Mr. Chairman, coming to that, I was president of a bank at that time. We had money in New York and could not get it. I had a neighbor who had \$100,000 on deposit in a bank in New York, and it took him three weeks to get \$10,000 of it, and we were having cotton forced on the market and were taking certificates of indebtedness for it. If it comes down to a question of aiding the farmers as a special class, I want to call your attention to one other thing.

The great commercial centers, such as New York, have had their heart and center in the Federal reserve banks. What have we done? There has been on deposit in those banks by the Government not less than \$50,000,000, practically, ever since they have been established, upon which they do business every day in the year.

Not only that, but we passed last spring here a bill amending the provision for Federal reserves, so as to require 7 per cent of all deposits of all banks of the reserve system to be maintained in those banks, and that meant on the average deposits last year \$568,000,000 of reserves, put there for the Federal reserve banks to do business upon. And yet they say that the Federal farm-loan banks can not have a credit of \$100,000,000 from the Government in this way, when it is absolutely secured, which it is given the right to control until the loan is paid off; and it is presumed to be secure, because the very basis of these bonds is the land of the farmers of this country, and land is the basis and the foundation stone of all credit, and everything that maintains credit is grown for the support of this country, of its armies, and of its institutions, and upon its shoulders rests the conclusion and successful termination of this war. And they are doing their duty and using their best endeavors to provide the means with which to prevent the people from starvation. It would be a tardy act of justice not to give them at least an opportunity to look in on the Treasury of the United States and feel that Uncle Sam is a father to the farmer as well as to the other interests of this country. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAYES. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE of Pennsylvania. Mr. Chairman, it seems like old times in this House to have the gentleman from South Carolina [Mr. STEVENSON] denounce the trusts of New York and remind us of the crushing effect of Wall Street upon the cotton

hates of the South: All these things are supposed to be tabooed in this session of Congress.

Mr. STEVENSON. Will the gentleman yield?

Mr. MOORE of Pennsylvania. And it brings up pleasant memories of those days when speech was free on the floor of the House and Democrats sat on one side and Republicans on the other and pleasantly contended.

Mr. STEVENSON. Will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. STEVENSON. I have not named Wall Street or any trust. I ask the gentleman if he appears on behalf of Wall Street here?

Mr. MOORE of Pennsylvania. I answer the gentleman by stating that I read in a paper day before yesterday that whereas the present administration came into power cursing the trusts, promising to crush them and put them out of business, all prosecutions against the great trusts of the United States have for the time been suspended. And in order that the gentleman may more thoroughly understand, and that Democrats as well as Republicans may be informed of the assiduity with which the present war administration is prosecuting trusts, I put this little statement in the RECORD:

Suspension until October of Government suits for dissolution of the International Harvester Co.—

Do you remember what an incubus that was upon Kansas and South Carolina—

the United States Steel Corporation—

Do you remember what a holy terror that was when Mr. Woodrow Wilson was campaigning in 1912, and how you were going to put it out of business, and how you are relying upon it now—

the United States Shoe Machinery Corporation—

Which may now have some very profitable contracts with the Government in one form or another—

the Eastman Kodak Co., the Quaker Oats Co.—

And food prices have certainly gone up recently—

the American Can Co., and the Corn Products Refining Co.—

Another food producer which is said to be a part of the Standard Oil Co.—

was asked of the Supreme Court by Attorney General Gregory to-day.

Further suspension until the close of the war will be requested then.

The tremendous expense—

Think of it!

Why, we raised \$21,000,000,000 to prosecute this war and are worrying over this bauble of court costs. [Laughter.]

Mr. MADDEN. You should add \$390,000,000 more to it.

Mr. MOORE of Pennsylvania. Yes; I will do that. We are going to add many more billions before this administration gets through. But think of "the tremendous expense"! Think of it! The Attorney General to whom we make constant appropriations for the investigation of trusts; the President, to whom we make an appropriation of \$100,000,000 to employ agents and go out and investigate the trusts. Think of the "tremendous expense" involved in dissolving these seven great corporations. And "should the Supreme Court hand down a favorable decision, think of the disruption of the business involved." Ah, do not come up here from South Carolina or Texas or down from Minnesota and throw up to us our political contentions of 1912, when you were opposing the trusts. You have had it in your power now for nearly six years to "bust the trusts," but they seem to have become your nearest and dearest friends. Even you walk into the Supreme Court of the United States and ask for a suspension of judgment until the war is over.

Why, the prices of commodities to the people under your administration have grown higher than at any time in the history of the world, yet you ask for a suspension of judgment against the trusts during the war, because of "the tremendous cost" of hiring lawyers and prosecuting your suits to a successful conclusion. [Laughter.]

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Pennsylvania yield to the gentleman from Minnesota?

Mr. MOORE of Pennsylvania. Yes.

Mr. KNUTSON. The gentleman referred to Minnesota. I want to say on behalf of the State of Minnesota that she had nothing to do with the fraud of 1912. [Laughter and applause.]

Mr. MOORE of Pennsylvania. I accept the gentleman's statement, and I hope the gentleman from South Carolina [Mr. STEVENSON] will be good from now on.

Mr. Chairman, I have looked through this bill very carefully. I can not find that it is a war measure, which the Democrats promised us would be the substance of the legislation of this session.

I can not find anywhere in the literature respecting this bill a letter from the Secretary of the Treasury, Mr. McAdoo, advo-

cating this measure; but I do find coming from the committee a voluntary statement that this proposed legislation, which turns loose from the Treasury of the United States \$200,000,000 to the use of certain farm agitators and farmers, who may eventually turn "cats and dogs" into the Treasury of the United States, that it is a "war emergency measure." The necessity for it is explained in an appended letter from the Farm Loan Board to the Secretary of the Treasury. Read that letter, gentleman, and you will find in it not a word about the war, but a plain, blunt statement to the effect that whereas "dad," the Government of the United States, gave \$9,000,000 to one of "his boys" to go out and do a little farm-loan business, on which he was thereafter to take care of himself, "the boy" failed to make good, and having made certain promises in his business, involving upwards of \$100,000,000, comes back to "dad," the Government, and asks for \$200,000,000 more to put him on his feet.

Oh, yes. When my colleague from Pennsylvania [Mr. McFADDEN] asks for more time to explain the objectionable features of this legislation, the gentleman from Kansas [Mr. SHOUSE] rises in his seat over yonder and objects to two or three minutes' more discussion, presumably because it appears from the RECORD that the gentleman from Kansas, looking out for the interests of his State, is doubtless aware that under this new deal Kansas expects to receive \$7,826,577. His State is one of the largest of all the borrowers. Of course, he wants no discussion of a matter of this kind.

Mr. GLASS. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes; I yield to the gentleman.

Mr. GLASS. I suggest to the gentleman from Pennsylvania that had he yielded to his colleague the first 10 minutes of his own speech, which was not directed to the discussion of the bill but to politics, he might have had more enlightenment on the subject of the bill. [Laughter.]

Mr. MOORE of Pennsylvania. I suspect this bill has some politics in it. Mr. Chairman, how much time have I consumed?

The CHAIRMAN. The gentleman has used seven minutes.

Mr. MOORE of Pennsylvania. I suspect, I say, that this bill has some politics in it, but I did not introduce politics into the discussion. The gentleman from South Carolina [Mr. STEVENSON] introduced the subject of politics by referring to the trusts that sadly distressed the cotton planter.

Now, the cotton planter has not been paying very much in taxes during this war. Let the gentleman from South Carolina remember that. The cotton farmer has declined to submit himself to taxation on cotton in the bale; he has the voting power in this House to prevent it. But he has conceded that at least four States of this Union should bear the burden of practically all of the income tax necessary to prosecute the war. He has conceded that out of the 48 States of this Union the States of New York, Pennsylvania, Massachusetts, and Illinois shall pay \$122,000,000 out of a total of \$180,000,000 on income tax for 1917 and more for 1918. The great voting power of this House just now can impose this new and additional farm-loan burden of \$200,000,000 upon the consuming public if it wants to. It is a fine, generous spirit from 44 States of the Union which unload the bulk of the taxes on 4 States.

Politics in this bill? Why, we have had more politics under cover of war than any gentleman here dares to speak of for fear he will be charged with giving information and comfort to the enemy. Politics in this session? Well, gentlemen, if you can control the capitalists on the one hand by Government control of railroads and make the Treasury of the United States pay the cost of operation rather than those who are the beneficiaries of the railroad service you will have done one thing. Withdrawing the prosecution of the trusts of the United States is another. That may not be politics, but if you can tie up the big trusts and railroad managers and capitalists on the one hand and satisfy labor by increasing wages on the other hand and then give the farmers \$200,000,000, it looks like playing pretty good politics.

Yet we are forbidden to discuss politics in this House. [Laughter.]

They wanted to pass this bill under a rule just before the holidays, and my distinguished friend from Virginia [Mr. GLASS], who made a plain, frank statement as to his attitude on the bill this morning, was in favor of that move. He did not want any more discussion of the bill than that other distinguished gentleman, the gentleman from Mississippi [Mr. HARRISON], who now occupies and graces the chair. It was the gentleman from Mississippi, who, arguing for the rule to limit debate, closed his brilliant speech with a tribute to Coriolanus and George Washington, the illustrious farmer, and Thomas Jefferson, the great tiller of the soil, and declined to be interrupted. Why did he cling to these delightful historic memories? Not



only to secure the \$200,000,000 that the bill asked for, reduced, as it has been temporarily by senatorial action, to \$100,000,000—

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE of Pennsylvania. But because, perchance, the State of Mississippi had put in its claims to receive \$7,000,000 out of this \$100,000,000 or \$200,000,000 or whatever the total may be. Compare that with the income tax paid by Mississippi and you can understand why this bill ought to pass. [Laughter and applause.] I would like to make some other comparisons.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GLASS. Mr. Chairman, I want to give notice now that, whether from this side or from that, I am not going to tolerate any more political harangues while we are considering a serious matter; and I will submit a point of order if any other man takes the floor and indulges in picaresque politics when we want to discuss a grave question. [Applause.]

Mr. HAYES. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. LENROOT].

The CHAIRMAN. The gentleman from Wisconsin is recognized for 10 minutes.

Mr. SLOAN. Remember, the chief tolerator of the House has given notice that you will not be tolerated if you talk politics.

Mr. LENROOT. Mr. Chairman, I shall not discuss politics, even though there may be some politics in this bill. I am in favor of the Senate bill, and I sincerely hope that the substitute which the chairman of the committee announces he will present, being the House bill, will not be adopted. I want, first, to call attention to the differences between the Senate bill and the House bill. The House bill provides for \$200,000,000—\$100,000,000 this year and \$100,000,000 next year. The Senate bill provides only \$100,000,000. There is a provision in the Senate bill, known as the Weeks amendment, which provides that after the loans now approved have been taken care of, amounting to something over \$70,000,000, no other funds of the Treasury shall be used for the purchase of these farm-loan bonds except for loans made for food production; in other words, that outside of the \$70,000,000 of loans already approved, if the Treasury is to loan money for this purpose it must be for the purpose of increasing food production, as against making loans merely for the refunding of existing loans. The chairman of the committee stated in response to a question from me a little while ago that of the loans now approved, amounting to something over \$100,000,000, 90 per cent of them involved the refunding of existing mortgages; and that means that a very large majority of these loans are not for the purpose of increasing food production except as a lowering of the interest rate may do so.

Mr. TOWNER. Will the gentleman yield?

Mr. LENROOT. Yes.

Mr. TOWNER. I think the gentleman misapprehends, perhaps, the statement made, because it is not true that 90 per cent of the loans made are for refunding purposes only. It is true that they involve refunding purposes.

Mr. LENROOT. That is what I said.

Mr. TOWNER. But it should be explained to the House that in a vast majority of cases a part of the loan is for refunding purposes and the other is for extension purposes.

Mr. LENROOT. That may or may not be so. Of course it is true to a certain extent, but I am satisfied that it is not true as to a majority of the cases. But, however that may be, under what is known as the Weeks amendment, if the loan is for the purpose of increasing food production the funds of the Treasury may be used, but not otherwise; but if it be solely for the purpose of enabling a farmer who is now paying 6 per cent to obtain his loan for 5 per cent the money of the Treasury can not be used for that purpose. And that brings us to the question whether we ought to appropriate money out of the Treasury of the United States in these war times for the sole purpose of reducing the interest rate and not for the purpose of increasing food production. That, gentlemen, is a very serious matter. Many gentlemen think they must favor this proposition as a whole because otherwise they will be charged with not favoring the farmers of their districts. Let us see. In the two liberty loans that we have floated there is no part of the United States where farmers, business men, and professional men have not gone to the banks and borrowed money at a higher rate of interest than the liberty loan bears for the purpose of purchasing liberty bonds. That is true in every section of the United States. That is true of farmers. Now, I think they have a good case for the \$70,000,000, but outside of that

when you say, "We will authorize the Secretary of the Treasury to use the proceeds of these liberty bonds for the purpose of loaning money to farmers to refund mortgages," when our next liberty loan comes up and we again make an appeal to the people of this country to purchase liberty bonds to carry on the war, and do it as a matter of patriotic duty, can we ask a man to go to the bank and borrow money at 5 per cent or 6 per cent in order to buy liberty bonds at 4 per cent, when we are going to turn around and pay out that money to his neighbor in order that he may get a rate of interest of 5 per cent instead of 6? Can you justify it? Is there anyone who can justify it? Ah, it is more than that. Upon that proposition the very success of the liberty loans in the future may depend.

We have no right to ask the poor and humble people of this country to go without necessities of life in order that they may patriotically help the Government to carry on this war and purchase liberty bonds in amounts as low as \$50, when it can be absolutely demonstrated that the money—perhaps the very money taken from them and depriving them of necessities—will be given to a farmer who may be worth \$10,000 or \$25,000, in order to enable that farmer to get a mortgage refunded for 5 per cent instead of 6 per cent. Ah, any gentleman who thinks there is any politics in supporting that kind of a proposition and voting against the Weeks amendment is very sadly mistaken. You can not justify it, and it ought not to be considered for a single moment, and I am surprised that the chairman of the committee should be opposed to the Weeks amendment. Under the Weeks amendment the \$30,000,000 that the Senate bill provides for, in excess of the \$70,000,000, can be used wherever the farmer making the loan will use the money for the purpose of increasing food production. All that it prevents is the refunding of existing mortgages. In a few months we may be confronted with a most serious situation with reference to raising money needed to carry on this war. Facing that condition, are we in a position to furnish money out of the Treasury that will be used in many cases solely for the purpose of lowering the rate of interest in some section of the country? Why, I understand that to-day, since the President delivered his message to this House, a bill has been introduced appropriating \$500,000,000 for the railroads of this country. Unquestionably we will be compelled to appropriate in some form or other a very large amount of money out of the Treasury for that purpose. That is just as important to the farmer as it is to anyone. The farmer's farm is of no value to him unless his products can be transported. And so in every direction we are confronted and will be confronted, from day to day, with staggering sums necessary to carry on this war, and thus it is all the more important that not one dollar be appropriated out of the Treasury, or that any officer of the Government be vested with power to expend a single dollar except where it is necessary for the purpose of carrying on and winning this war. [Applause.]

But to get back to the original proposition, it should be clearly understood that every Member who votes for the House bill against the Senate bill votes to take money out of the Treasury in order to refund existing mortgages at the expense of the farmers who do not get mortgages from these farm-loan banks, asking the farmer who pays 6 per cent now from private sources to buy a liberty bond, to borrow the money from the bank to do it, in order that his neighbor who pays 6 per cent on a like mortgage may get his mortgage reduced to 5 per cent. Gentlemen, it ought not to be.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. HAYES. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. MORGAN].

Mr. MORGAN. Mr. Chairman, I am in favor of this bill. It provides that the Government may purchase for each of the fiscal years of 1918 and 1919 \$100,000,000 worth of farm-loan bonds. Unless this is done, our Federal land banks may be compelled to suspend business until the close of the war. I regret that there are so many on this side of the House who are antagonizing this measure. All who have spoken on this side, so far, have been in a way criticizing this bill. I regret it. It has been said that there ought not to be any politics in this bill, and there ought not. And yet I say to you, my Republican friends, that opposition to this bill will be, and ought to be, construed as antagonistic to the great agricultural interests of this country [applause], and the Republican Party will never be in power in this Nation again if the farmers of this country understand that the party is unfriendly to their interests. [Applause.]

Now, I warn you who are here, and I warn the great leaders of the Republican Party in this Nation, that we can not return to power without the confidence and support of the farmers. We can not expect, and indeed we ought not to have that sup-

port and confidence, unless we are ready, through national legislation and national policies, to promote the prosperity of farmers and the expansion of agriculture. Shall we be wrapped up in the great commercial, financial, and industrial interests and not be ready to extend a sympathizing hand to the great agricultural interests of this country?

Mr. PLATT. Will the gentleman yield?

Mr. MORGAN. Yes; I will yield for a question.

Mr. PLATT. Does the gentleman understand that the farmers are asking us to do this? I do not so understand it; not one farmer in a million knows anything about it.

Mr. MORGAN. What I have said I stand by, and I again warn the Republican leaders of the House and of the Nation that a friendly attitude toward the farmers must be maintained if we expect to go back in national power. Historically the Republican Party has always stood for agriculture and commerce alike. Its principles and policies have favored the farmers and their industry, but modern conditions have brought new problems. No party that does not stand by the farmers and their industries should be placed in power in this Nation. [Applause.]

Now, the able gentleman from Wisconsin [Mr. LENROOT] has made an eloquent speech criticizing this measure. I am surprised at it, and I regret it. Of course if this was simply a measure to help the farmer to the injury of the carpenter, or help the farmer to the detriment of the merchant, I would not support it, and no one should; but this is to carry out a great policy established when the Government undertook to aid in financing the farmers by the passage of the Federal farm-loan act. Why was this act passed? Not simply in the interest of the farmer. No, no; but to strengthen this great Government; to increase food production; to expand agriculture; to promote through the expansion of agriculture the prosperity of the whole country. It was for the benefit of nonagricultural population as well as farmers. In this critical hour the cry comes from England, from France, from Italy, and from all of our allies for bread—the cry is food. Where is it to come from? All eyes are turned to the farmers of the United States. Shall we by our voices and our votes say to starving Europe that we will not encourage our farmers in their effort to feed the world? Certainly not. But to refuse to pass this bill would be doing so. Then, Mr. Chairman, let us pass this bill.

We can do nothing better in this hour of peril and danger than by a unanimous vote of this Congress, to give the necessary financial aid to promote the prosperity and expansion of agriculture, in order that in this great war—whether it shall last one year or five years—we may be able to feed ourselves and those who are fighting with us to free the world of autocracy, and make liberty, freedom, and justice supreme throughout the world.

Mr. Chairman, this is not the time to criticize the management of our Farm Loan Board. I have no doubt there have been mistakes made. I have no doubt, as the gentleman from Michigan has indicated, that some loans have been made too high. Nothing else could be expected. There are always mistakes made, and sometimes public officers are corrupt and betray their trusts. But this is no argument against the passage of this bill. There should be criticism if criticism is just, but this is not the time to make it. I want the report from the Federal Farm Loan Board. I want to know what they have been doing; whether they have been administering their trust efficiently and economically as they should. I will be ready at the proper time to criticize any mismanagement, with a view to improving it. But I can not lend my voice and vote to-day to oppose this great measure.

Why is the passage of this bill necessary? Here is the situation. The Government is monopolizing the credit power of this Nation to-day. You can not sell industrial bonds; you can not sell railroad bonds. If the truth were known, one of the objects of taking over the railroads is in order that the Government may finance them. Railway officials said that they could not borrow money. They could not meet their maturing obligations without borrowing money. Their bonds were depreciating in value. Our banks own billions of these bonds, and billions of their loans are based on railway bonds as collateral security. So the Government proposes to finance the railroads. The Federal Land Banks are in the same position as the railroads. In this emergency these banks—representing the farmers and their industry—must be rendered such aid as will enable them to carry on the great work they have undertaken.

It may be as the gentleman from New York [Mr. PLATT] says, these bonds can be sold without this aid. The Federal Farm Loan Board think not. Their opinion is entitled to great weight. Even if they could be sold, I am not certain it would

be wise for the Federal Farm Loan Board to put 4½ per cent bonds, free from taxation, on the market in competition with the liberty loan bonds at 4 per cent in part taxable. We must clear the track for financing the war. That is the paramount duty of the hour. In the meantime we must not discourage the farmer. We must not let agriculture languish. It is of no less importance to finance the farmer than it is to finance the railways. We must do both. That is why this bill should pass.

The work of financing the farmer has not yet been completed. We have done nothing for short-time personal credit. Last summer the farmers in northwest Oklahoma, and over much of Kansas and other western States, could not buy seed wheat. This resulted in restricting the acreage of wheat sown in these sections. Various schemes were proposed. In all of them the farmers were compelled to pay an exorbitant rate of interest to borrow money to buy seed wheat. This ought never to occur again in the United States. We must go on and perfect our mortgage credit system—give it the aid it now needs—and then perfect a personal, short-time loan system which will in truth give the farmers the same credit facilities possessed by the great commercial, manufacturing, and industrial interests.

We should pass this bill and carry out the great policy of promoting agricultural growth, through better credit facilities. By so doing, we will encourage the farmers to produce all the food products possible in this hour of great crisis, and there ought not to be one vote against the measure when it comes to a vote. I hope there will not be. [Applause.]

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. HAYES. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Chairman, I think that opposition to this bill in a general way is unjustified. I do not mean by that to criticize gentlemen who really believe that the bill, if passed, will mean taking \$100,000,000 or \$200,000,000 out of the Public Treasury. I think gentlemen are not justified in that belief, not because of the weakness of their judgment but because of a lack of knowledge of the circumstances. We have not anything to explain here that is at all remarkable, as some gentlemen seem to believe. Here is the situation. These bonds could have been placed on the market at any time and sold there for par and for more than par, if it had not been for circumstances for which the Government of the United States is itself responsible. So there is nothing to do but for us to meet the question in the best way we can. Thirty million dollars of these bonds were sold under terms that everybody agreed were just, both to the borrower, to the Government, and to every one else. Seventy million dollars more in applications which are approved are pending, for which loans would have been made if it had not been for the remarkable effect of the last liberty loan on the credits of the country. We know that just as soon as that loan was placed all of the credits of the country fell to a remarkable degree. Those who had been handling these bonds could no longer sell them. There were two reasons for that, one because of the depreciation of the investment funds of the United States, and another reason, that it is now believed by the investing public that the United States bonds of all kinds and character must carry a higher rate of interest than has heretofore been authorized in order to be floated. That belief is so widespread that no one will take existing bonds except at a discount. It is very well known that our 4 per cent bonds on the market are now selling at 97 or thereabouts. These bonds are depreciated, and why? Not because of a lack of faith in the credit of the United States, but because of the fact that people believe that better terms will be given them in a very short time; that the next liberty loan will carry 4½ per cent; that in order to float this loan it will have to be raised to 5 per cent or still more. Those are the conditions beyond peradventure which exist, and which explain the reason why the \$70,000,000 could not be floated.

It can not be taken charge of as it has been by those gentlemen who have managed the flotation of the \$30,000,000 on existing terms and conditions. Their contracts extended only to \$30,000,000, and they refused to extend it to the other \$70,000,000, not because they did not desire to do so, but because they did not dare to do so. Those are the conditions which exist. Instead of taking \$100,000,000 from the United States Treasury, I have very grave doubts as to whether it will ever take \$10,000,000 from the Treasury. In other words, as soon as it is known to the investing public that they do not have to sell these bonds at a higher rate of interest, then they will sell at 4½. Why should they not? No more desirable bonds were ever offered in any market of the world than these. They are to-day the very best investment that can be offered anywhere on earth, and it is because the public believes they can



secure them at better rates that they are not able to sell them on the market now, in my judgment.

Mr. PLATT. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. PLATT. The gentleman referred to the present 4 per cent liberty bonds as selling on the market at 97.

Mr. TOWNER. Yes.

Mr. PLATT. The gentleman knows that the 3½ per cent tax-free bonds are selling at 98½. Is there any reason why we should not sell these bonds at 98½ if we tried?

Mr. TOWNER. I do not know.

Mr. PLATT. I do.

Mr. TOWNER. Of course, I know the gentleman knows a great deal more about this matter than I do, but there are so many conditions that exist about which it is impossible for me to have all of the knowledge necessary to form a judgment, that I feel very great hesitancy in making a judgment on that proposition.

Mr. HARDY. It is very evident, however, that if investing capital feels sure that it can command a rate of 5 per cent it will not invest in 4½ per cent bonds.

Mr. TOWNER. That is about the whole proposition.

Mr. PLATT. If investing capital feels it can command a rate of 5½ per cent or something like that, why do they buy the 3½ per cent liberty bonds and pay 98½ for them?

Mr. TOWNER. Because, and I think the gentleman knows it, that that is the difference between the tax-free bonds and those that are taxed.

Mr. PLATT. Exactly; but these are tax-free bonds.

Mr. TOWNER. I know; and that is one of the reasons why I say they will sell readily if the investing public does not believe that the interest rate will be raised upon them.

I want to say just a word or two regarding the Senate bill. I sincerely hope that the Senate bill will be adopted by this House, and I want to address myself more particularly to the Democratic side of the House, because I think they know the responsibility that rests upon them. If we pass the Senate bill to-day, that ends the transaction, and it ends it as the Treasury desires it. Of course, I know that the Farm Loan Board would prefer that the House bill should go through. I know that the Secretary of the Treasury would prefer that the Weeks amendment should not be attached to it, but that is not a serious objection. It is a great deal better for us to pass that bill to-day and have it ended, because matters that gentlemen consider desirable can be obtained in the future, and I fear that a disagreement now to the Senate amendments may lead to a prolonged discussion between the two Houses. We ought not to wait a day longer. This bill ought to have been passed in December. Conditions are such that these borrowers of \$70,000,000 are uncertain as to whether they will receive the money the Government has agreed to furnish or not. Men do not know what they can do. Their loans have been due and they have got the bank to pay them and carry them over until the 1st of January. They can not be carried much longer. We must pass this bill now if we want to save them from embarrassment and loss. Seventy millions of dollars of approved loans are now waiting. \$70,000,000 are promised men who have made arrangements to take up old mortgages and who have made arrangements for the investment of additional money for improvements on property. This money that was promised to them months ago they ought to have now. Do not delay it for another two or three months. Let us pass the Senate bill to-day. What is the Weeks amendment? After all, I think there is a good deal of justification for it under the existing circumstances. We are claiming, and I believe with justice, that this is properly a war measure for the purpose of increasing the agricultural production of the United States. Gentlemen who have opposed this bill say that they would gladly pay money of the Treasury to increase production.

Very well; we do not ask them to take money from the Treasury; we just ask them to lend the credit of the United States to increase production. That is what we are asking, and only that. Therefore I am for this bill unequivocally. I believe this is a great measure for the carrying on of this war, and gentlemen who say that this is taking money out of the United States Treasury that ought to be used for carrying on the war I think are not justified in that statement. We can do nothing better than to increase the productive activities of the United States to feed our soldiers at home and abroad, to give the raw material to the manufacturers, and to furnish the things that the Government needs to equip the soldiers comfortably in the field.

Mr. STEPHENS of Nebraska. Will the gentleman yield?

Mr. TOWNER. Yes; I yield to the gentleman from Nebraska.

Mr. STEPHENS of Nebraska. Does the gentleman understand that under the Weeks amendment no more bonds can be sold by the farm-loan banks until the Government is paid off?

Mr. TOWNER. No, sir; I do not so understand. The Weeks amendment only provides—

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAYES. I yield the gentleman two minutes more.

Mr. TOWNER. The Weeks amendment simply provides this, that these loans of \$70,000,000 shall be put out without limitation. Then, if further applications are approved, they shall only be approved with those conditions that will make the money available for increased production and not merely for the refunding of loans.

Mr. STEPHENS of Nebraska. But the amendment states plainly that they can not approve of any more loans until the Treasury has been paid off.

Mr. TOWNER. I know; but they have approved \$70,000,000 already.

Mr. STEPHENS of Nebraska. Well, but suppose after they have settled that account and they still owe the Treasury of the United States on money advanced to them on bonds, can the farm-loan banks continue the sale of their own bonds while still owing the Treasury?

Mr. TOWNER. Why, certainly they can.

Mr. STEPHENS of Nebraska. The amendment says they can not.

Mr. TOWNER. Oh, I do not think so.

Mr. STEPHENS of Nebraska. And in the Senate Senator FLETCHER stated that they could, and Senator WEEKS stated that they could not, so the amendment apparently is not very clear.

Mr. TOWNER. I do not think there is any question about it. Let me say this, gentlemen: I do not think there are a great many of these loans that are merely for refunding old loans. Nearly all of these—and it has been the policy all the way through of the farm-loan people that they should make these loans not merely for reinvestment purposes but, as far as they could, for increasing the capacity of the farmer to produce; that if he had a \$1,000 loan he could refund that and get \$500 more to buy more stock or build a new barn, or something of that kind, to increase his capacity to produce.

Mr. GARD. Does the gentleman know that 90 per cent of these loans involve a refund?

Mr. TOWNER. I do; but a refund, of course, would include an absolute refund of the entire loan, and also a partial refund of the loan that may be made for improvement. [Applause.]

The CHAIRMAN. The time of the gentleman has again expired.

Mr. HAYES. Mr. Chairman, I yield two minutes to the lady from Montana [Miss RANKIN].

Miss RANKIN. Mr. Chairman, the Federal Farm Loan System must be continued if the farmers of my State are to meet their share of the Nation's demand for food in the future as generously as they have met it in the past. My farmer constituents are complaining bitterly against conditions imposed upon them by exorbitant farm-loan rates charged by private local companies, and I feel that in the Federal Farm Loan System lies one important factor in the development of their farms.

The people of Montana have filed with the Federal land bank of Spokane 4,377 applications for loans, which aggregate nearly \$12,000,000. This means an average of something over \$2,700 for each applicant.

The amount of applications ranks third in the United States. Loans have been approved on 1,915 of these applications, involving \$4,604,815 altogether, and averaging about \$2,400 apiece. Six hundred and thirteen loans, aggregating \$1,632,020, have already been closed and the money paid to the borrowers.

I am informed that reductions, rejections, inability to make title, change of mind on the part of the borrower, and other causes have cut off about 40 per cent of the applications in the country at large, to date. Assuming that the same proportion prevails in my State, it means that \$7,250,000 worth of loans are closed out of the \$12,000,000 worth of applications, and that my people are receiving about \$1,600,000. On the same basis they will receive about \$5,600,000 additional on applications now pending if the Federal Farm Loan System continues.

The consideration of the Federal Farm Loan System is especially timely right now, as we face the national food problem, which becomes more acute each week. We are urging increased production. And in the meantime we are lending to those countries with which we are associated in the world war, and, I believe, to manufacturers and builders upon whom we are depending for military equipment.

Our financial arrangements are far from complete, however, when we leave out of consideration the farmer who must feed us,

and, further than that, must feed the world. He is the man who finds it most necessary and at the same time most difficult to secure capital, and he is the man whose capital requirements must be taken care of.

I am advised that both foreign and domestic companies that have heretofore been engaged in making loans in various sections of the country are discontinuing or seriously curtailing their operations, and unless the Government facilitates the operation of the Federal Farm Loan System which it has created, the farmers of my State will not only be unable to increase their production, but will find it impossible to continue even the production of the last few years.

The Federal Farm Loan System was intended to operate on capital accruing from the sale of Federal farm-loan bonds issued through the 12 farm-loan banks to individual investors. During normal times the system operated without difficulty. Even during the abnormal period between the first and second liberty loan flotations the sale of Federal farm-loan bonds was not seriously interfered with. But since the second issue of liberty bonds, capital for such investment has been so completely absorbed as to make it impossible now to sell Federal farm-loan bonds in sufficient quantities to meet the demands for loans.

This condition of the Federal farm-loan bond market can be but temporary, and possible investors are now waiting to see whether the price of the bonds is to be reduced or the interest rate increased. During the last six months the change in interest rates has made possible the reduction in the price of the bonds from 101½ to 100½; and it is reasonable to believe that prospective investors will be eager to buy the bonds as soon as they know that the banks can get cash for the bonds pending their sale in the market. Thus, if the Treasury is authorized to buy the bonds, in limited amount, until they are resold to individual buyers, a certain confidence will be inspired in the investors and the Federal Farm Loan System can be continued. Inasmuch as Congress has created this system, it should be responsible for the continuation of it until some more satisfactory system of aiding the farmers can be devised.

With regard to Senator WEEKS's amendment, although it may be desirable to prevent loans being made for the mere purpose of paying off a mortgage at 6 or 7 per cent or even 12 per cent, which is not due, or for the mere purpose of enabling the applicant to borrow money at 5½ per cent, the amendment limits future loans from the proceeds of the bonds bought by the Treasury to loans which are made "for the increase of food production," and overlooks the fact that the act prohibits loaning except on first mortgages.

I believe I am safe in saying that most of the farmers of my State already have a mortgage or lien of some kind on their lands. If, then, a man whose farm is mortgaged for \$1,000 wishes to borrow an additional \$1,000 for live stock, machinery, or other improvements, he can not be loaned that \$1,000 and have a second mortgage taken as security; but the Farm Loan Bureau must lend him \$2,000 to enable him to take up his existing mortgage and give a first mortgage in exchange for the new loan.

Thus the amendment would limit future operations of the bureau to only that very small minority of farmers who have no already existing indebtedness on their farms. This would make impossible the organizations of Federal farm-loan associations of 10 or more members in which borrowers must associate themselves before loans can be made to them; and would be impracticable. [Applause.]

Mr. HAYES. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. NORTON].

Mr. NORTON. Mr. Chairman, during the Sixty-third and Sixty-fourth Congresses I gave much time and study to the subject of a suitable and practical Federal system of credits for securing to those engaged in the production of farm products in our Nation long-time loans at fair and reasonable rates of interest on the security of their lands and permanent improvements thereon. As the few Members of the House who were most deeply and actively interested in this subject will recall, it was not an easy matter for us to formulate or to agree upon a system of Federal rural credits that would be practical and suitable for our ever-changing farming population and for the very varied agricultural conditions of our country. The subject of a Federal system for long-time farm loans was one of the most important and live subjects of consideration and debate in the House and Senate for many months over a period of about four years prior to the passage of the present rural-credit law. The study of rural-credit legislation before the passage of the existing law developed two schools of thought in this country on the subject. The followers of the one school held that the system should be purely cooperative among the borrowers; that

it should be wholly self-supporting; that the Government should give no financial credit or support to the system; and that the only aid the Federal Government should give to the system should be that of Federal supervision of its organization and its business transactions.

The other school held that the Federal Government should issue and dispose of United States Government bonds to secure money at the lowest possible rate of interest, the proceeds of these bonds to be used as a fund from which loans direct to farmers could be made on their farm land as security, the notes and mortgages to be held by the Federal Government as security for the repayment of the loans. The present legislation is a compromise between two schools of thought on Federal rural-credits legislation for this country.

The rural-credits law was approved on July 17, 1916. The members of the Federal Farm Loan Board held their first meeting on August 7, 1916. The first Federal farm-land bank to receive a charter was the bank located at Wichita, Kans., which was chartered on March 3, 1917. The first bonds authorized to be issued were issued by the Wichita land bank of the ninth farm-land district. Authority for the issue of these bonds in the sum of \$250,000 was made by the Federal Farm Loan Board on June 28, 1917. The first authorization for the issue of the bonds by the Federal farm-land bank at St. Paul, Minn., which is the farm-land bank of the seventh district, including the States of North Dakota, Minnesota, Wisconsin, and Michigan, was made by the Federal Farm Loan Board on August 16, 1917.

The Federal farm-land banks for the most part were not organized and ready to receive applications and approve loans until about the 1st of June, 1917. From the very beginning there was a very great demand from every section of the country for farm loans under the new system. This demand was so general and so great that the farm-land banks were not able to care for but a small part of the business that was offered to them. While the original capital of the 12 farm-land banks, each having a capital of \$750,000, was but \$9,000,000 up to November 30, 1917, practically the first six months' business of the banks since they were organized and ready for business, applications for loans amounting to \$219,760,740 had been made. Of these applications \$105,136,529 were approved. From these approved applications \$29,824,655 were closed. These loans that were approved and made were made at an interest rate of 5 per cent and on an amortization plan, whereby 1 per cent per annum of the amount of the loan was provided to be collected and applied in reduction of the principal sum of the loan.

In my judgment, the work accomplished by the Federal farm-land banks up to the present time shows conclusively that the Federal Farm Loan system is a splendid success and that it is one for which there has been great and long need in this country. It could not be reasonably expected that all the workings of this new system in the first six months of its active existence would be perfect. To fully appreciate the work that the Federal farm-land banks have done in so short a time it must be understood how the system provides for a revolving fund from which farm loans are made. Under the law, when any Federal farm-land bank has made and has in its possession a certain amount of first-mortgage farm loans, say, an amount aggregating one hundred or two hundred thousand dollars, the Federal farm-land bank then may, with the approval of the Federal Farm Land Board, issue farm-land bonds to the full amount of the farm-land mortgage loans it has in its possession. These bonds are issued and sold to the public at not less than par by the Federal farm-land bank and the proceeds are again used by the Federal farm-land banks to make more first-mortgage loans to farmers on their farm lands and improvements. The amount of the loans made to farmers is not to exceed 50 per cent of the value of the land and 20 per cent of the value of the farm buildings and permanent improvements.

I wish to speak here to-day on this subject for the farmers of the Northwest. To those here who have stated that the farmers of the country do not demand legislation of this kind in aid of the Federal rural-credits system I desire to say that the farmers of my State are asking for this legislation and the farmers of every other State adjoining the State of North Dakota are asking for it. Why, gentlemen of the committee, the farmers of Massachusetts are asking for it. The farmers of Mississippi are asking for it. Farmers are asking for it from one end of this country to the other.

I have a letter here that may interest some gentlemen, and, unlike the gentleman from Kansas [Mr. CAMPBELL], who read an extract from a letter in opposition to this proposed legislation, I am pleased to give the name of the party who forwarded this letter strongly favoring the passage of the bill. This letter is written by a Mr. William E. Putnam, secretary-treasurer of



the Berkshire National Farm Loan Association, of Pittsfield, Mass. In his letter, presenting the needs for this legislation and urging the passage of this bill in aid of the rural-credit system, Mr. Putnam says, among other things:

To expect farmers to increase the food production when faced with the foreclosure of their mortgages and the loss of their farms is to expect the impossible, owing to the difficulty of obtaining money from the savings banks and, together with the floating of the huge war loans, the constant appeal for funds for the different interests, is just what the farmer is facing to-day.

When the Federal land banks were organized the farmer welcomed them as the greatest blessing they had ever enjoyed, thus to be recognized in the class of legitimate borrowers at a fair rate of interest and a living chance to pay up.

I want further to say to you, gentlemen of the committee, that the farmers of Maine are asking for and are advantageously using this system of Federal rural credits. Farmers are using it in Florida. Farmers are using it in California. Farmers are using it in Washington. They are using it in Kansas, in Oklahoma, and in every leading farming State of this Union. They are using it, and they are being greatly benefited through its operation in lower interest rates and in more favorable terms of payments on their farm loans than they have ever had heretofore. As I have observed the operation and the benefits of the rural-credits system in its present not altogether perfect form, I consider it one of the greatest pieces of Federal legislation that has been passed by Congress in the last quarter of a century in the interests of agricultural production and in the interests of the welfare of the farmers of this country. The amendment that has been added to this bill known as the Weeks amendment would completely destroy the usefulness of the Federal rural-credits system and should not be considered favorably for a moment by any true friend of rural-credits legislation. If this ridiculous and vicious amendment were enacted into law no loans other than those that have already been approved could be made to renew an existing mortgage or to provide for making farm improvements. I am surprised that anyone claiming to be a friend of Federal rural-credits legislation should speak a word in its support.

The failure of the sale of farm-loan bonds during the past two months is not due to any inherent defect in the present rural-credits law. If the Federal farm-loan bonds had been properly placed upon the market, and if the farm-land banks of the country during the last six months had been allowed to sell these bonds in competition with the United States Government bonds, they would have been easily sold. The administration, however, has seen fit to withhold the sale of these bonds and to suggest to the Federal farm-land banks that the bonds be not placed upon the market in active competition with the second liberty loan bonds. Since this has been done, I believe it is only right and proper that this Congress respond to the recommendation of the administration to enact this law in aid of the Federal rural-credits system.

Mr. GORDON. Will the gentleman yield?

Mr. NORTON. Certainly.

Mr. GORDON. Is it a fact that these bonds have never been offered for sale to the public?

Mr. NORTON. Between July 1 and November 1 of this year \$30,000,000 worth of these bonds were sold. Since the 1st of November the sale of these bonds has not been pushed.

Mr. MORGAN. Will the gentleman yield?

Mr. NORTON. Yes; I shall be pleased to yield to the gentleman from Oklahoma.

Mr. MORGAN. As I understand it, they have never been offered to the public. So far they have been sold by a syndicate of bankers that had the exclusive contract for selling the bonds up to the first of this year.

Mr. NORTON. The farm-land banks have never made a systematic effort to sell these bonds to the public. The bonds that have been sold were sold through a syndicate of brokers.

Mr. GORDON. What price did they bring?

Mr. NORTON. They sold at a considerable premium. They sold at a price that would return to the purchaser about 4 per cent per annum. The bonds bear interest at the rate of 4½ per cent per annum.

Mr. HARDY. Does not the gentleman think it would have been a rather bad condition if these loans had been pushed in competition with the liberty bonds?

Mr. NORTON. I will say to the gentleman from Texas [Mr. HANCOCK] that I am perfectly willing at this time to waive any criticism of the wisdom of the action of the administration in this matter.

This debate has again evidenced in a most conspicuous manner that whenever there is brought up in the House for consideration any measure of importance in aid of the farming industry of this country and of the farmers of this country there are men who represent the manufacturing industries, banking inter-

ests, and railroad interests of the country who almost invariably are loud in their walls of opposition. These men are not satisfied with what has been given their constituents. They want the whole earth and the fullness thereof. They seem quite unmindful and forgetful of the past. It may be well for them to remember that during the period of depression brought on by the European war in 1914 up to the 24th of September of that year the Federal Government had loaned emergency currency to banks of the country in an amount exceeding \$315,000,000. I do not now recall that I heard a word of protest at that time from any gentleman in the House from Pennsylvania or from any gentleman in the House from New York as to any loss that the Government might suffer on account of this loan of emergency currency to the banks in Pennsylvania or in New York. This money, be it remembered, was loaned to those banks at a rate of interest of 2 and 3 per cent per annum and not at a rate of interest of 4½ per cent, the rate that these good farm-land bank bonds bear. [Applause.] The banks of the State of New York, from which the gentleman [Mr. PLATT] comes, were loaned \$37,000,000 of this Government emergency currency. I want to say to the gentleman from Pennsylvania [Mr. MOORE], who has so vigorously protested against this legislation, that the banks of his State were given \$20,000,000 of this easy emergency currency. There was not a word of protest against that procedure by the gentleman, as I now recall it. Further, I want to say to the gentleman from Pennsylvania that it might be fairly said that considerable of that emergency currency was loaned upon real cats and dogs and not upon securities in anything like the same class as good, sound farm-mortgage loans.

Mr. MOORE of Pennsylvania. If the gentleman knows that, will the gentleman point out to anyone of them that happens to be in the Treasury to-day? Will the gentleman venture to say at all that every dollar of that was not paid?

Mr. NORTON. The gentleman can not with any reason say that a single dollar of the farm-mortgage bonds that are made or to be issued under this system will not be paid. The gentleman, if he knows anything about the rural-credit system that has been enacted, can not say that a single dollar of the bonds issued under it is not absolutely gilt-edged.

Mr. MOORE of Pennsylvania. Will the gentleman deny that the banks and trust companies that loan money upon real estate do not eventually get some of that real estate?

Mr. NORTON. While that may be true, I want to remind the gentleman that the banks and trust companies that have loaned money upon the real estate of this country have made countless millions from these loans.

Mr. MOORE of Pennsylvania. Do they not get some real estate that they can not sell?

Mr. NORTON. They do not get any good farm lands that they can not readily sell. I want to remind the gentlemen of the House that we are loaning vast sums of money to our allies across the seas. We have already loaned millions of dollars to France, to England, and to Italy; but of all our allies the greatest and the most powerful allies of this Nation in this great war are the farmers of our Nation. [Applause.] They it is who are supplying the real sinews of war. During the past year they have produced more than \$21,000,000,000 worth of farm products. They have produced during the past season farm products aggregating a greater value than the total amount we have already appropriated for our expenses in this war and for all loans to be made to foreign nations during the present fiscal year. [Applause.] The farmers of the State which I have the honor in part to represent, under the most adverse seasonal conditions, produced from the soil and from the air crop products of the value of more than \$220,000,000.

The passage of this legislation will enable the rural-credit system to continue its helpful and beneficial operations. It will immediately supply the funds necessary to make payment for the \$70,000,000 of farm-loan applications that already have been approved, but not closed. It will give needed relief to many farmers from exorbitant interest rates and from constant fear and dread of mortgage foreclosures. It will permit these farmers to give their best thoughts and best energies to producing during the coming year a maximum amount of the foodstuffs so much needed and so essential to the great work of winning this war. Its passage will lift burdens from those farmers who are now carrying burdens heavier than they reasonably ought to bear. It will do simple justice to the farmers of this Nation who in truth are the bulwark of the Nation in this war as in all our former wars where victory has crowned our banners. It will give merited consideration to those who, for manifold reasons, are entitled to the Nation's first, highest, and most favorable consideration. [Applause.]

Mr. MORGAN. Mr. Chairman, I ask unanimous consent to extend and revise my remarks in the Record.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. HAYES. Mr. Chairman, I yield two minutes to my colleague from California [Mr. OSBORNE].

The CHAIRMAN. The gentleman from California is recognized for two minutes.

Mr. OSBORNE. Mr. Chairman, there are to my mind two or three controlling considerations that have been brought out in this debate and that have influenced my mind in this matter. One is that the policy has already been adopted in the farm-loan act as passed in 1916. Practically it is not before the House for consideration now. That being the case, the question arises as to the proposed new measure for providing this extra capital.

It has been forcibly stated here that the raising of money by the liberty loan for war purposes and then turning it into this channel is justly subject to criticism. I think that is true, and it is only justified upon the superior considerations which this proposed action involves.

The gentleman from Oklahoma [Mr. MORGAN] made a statement which was very striking to my mind. That was that the Government is practically commandeering the credit of the country, and very properly so. That being the case, it places a handicap upon these bonds that is very difficult to overcome. The product of the farms is subjected by the Government to officially fixed prices, and it is no less than just that the Government should at least partially even matters up by facilitating farmers' credits, as is contemplated in the pending bill. [Applause.]

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. GLASS. Mr. Chairman, I stated a while ago that there was but one more speech on this side. I overlooked the fact that I had promised the gentleman from Alabama [Mr. STEAGALL] two minutes.

The CHAIRMAN. The gentleman from Alabama is recognized for two minutes.

Mr. STEAGALL. Mr. Chairman, the bill under consideration embraces no wild or revolutionary scheme. It is in perfect accord with the established view of Congress on the subject of rural credits. As was stated by the gentleman from North Dakota [Mr. NORRIS], the study of the subject of rural credits developed two schools of thought in this country—one favoring a Government system based upon Government credit, dealing directly with the borrowers; the other advocating a cooperative system under Government supervision, with Government aid and credit limited to initial organization and establishment. This latter view found expression in the provisions of the Federal farm-loan act approved July 17, 1916, which provided for the organization of 12 regional land banks, with a capital stock of \$750,000 each, subscribed by the Government. The bill made provision for the reimbursement to the Government of the sum of \$9,000,000 original capital stock, as the same is taken over automatically by the borrower.

The measure under consideration to-day follows the same scheme. It nowhere contemplates that the Government shall take over the entire system nor lend its credit, nor make any land bank a loan of a single dollar permanently. It authorizes the Secretary of the Treasury to purchase in his discretion upon request of the Federal Farm Loan Board \$100,000,000 of Federal land-bank bonds for the fiscal years ending June 30, 1918, and June 30, 1919, respectively, at par and accrued interest, such bonds so purchased to be held in the Treasury one year after the termination of the war to be repurchased by the Federal land banks at par and accrued interest on 30 days' notice from the Secretary of the Treasury.

It will be remembered that when the original bill was before the House some of us who believe in a larger measure of Government aid sought to amend the bill so as to authorize the Secretary of the Treasury to purchase with Government funds as much as \$50,000,000 annually of the Federal land-bank bonds. The amendment was offered by the gentleman from Texas [Mr. HENRY], with an amendment to the amendment offered by myself. I thought then and I think now that it would have been better to have extended the additional Government aid carried in that amendment. I believe such action would have insured a continued sale of the bonds at as favorable figures as those at which they were placed by the Federal Farm Loan Board. In fact it can scarcely be doubted that under that plan the bonds could have been sold to better advantage than has been possible under the plan adopted. But the House in its wisdom rejected the amendment, and it must be admitted that

subsequent events have demonstrated that they were correct in the opinion that the system could be operated successfully without such increased Government aid, had business conditions remained the same as they were at the time of the passage of that act.

Since the system was inaugurated loans have been made to the farmers by the Federal land banks to the amount of approximately \$30,000,000 at an interest rate of 5 per cent per annum. Applications have been made for 92,446 loans, amounting to \$219,760,740. Loans to the amount of \$105,136,529 have been approved. This leaves nearly \$200,000,000 of loans applied for which the Federal land banks have not the money to supply. The sale of enormous amounts of liberty bonds necessarily withdrew immense sums from the investment world. The result has been an increase in the interest rate on commercial paper and other securities. Even the interest rate on the Government bonds themselves has been increased since the sale of those bonds was begun. On account of the changed conditions brought about by the world war the Federal Farm Loan Board have increased the interest rate to be charged by the Federal land banks from 5 to 5½ per cent. Prior to November the bonds of the Federal land banks found ready market throughout the country, selling at 4½ per cent with premium of 1½, the demand of investors exceeding the supply. But for the changed conditions incident to the war no one doubts that such demand would continue to exist.

It is only natural for investors to seek the best bargain possible, and they are not unreasonable under existing conditions in hoping to get the bonds at a better price. But ought the Congress to sit by and allow this to be done? Some of us think not. I will not say that the system will be destroyed or be forced to terminate its operations if this bill is not passed; but it is manifest that its usefulness to the farmer will be seriously curtailed. It is probably true that the bonds of the Federal land banks can be sold at some price without this legislation; but the moment the Congress passes this bill the investing public will know that, if necessary, the Secretary of the Treasury is going to use Government funds to sustain the market for these bonds, and that will settle the whole matter. This will be the effect if we pass the House bill without the Senate amendment, but the moral effect sought—which is the chief object sought to be accomplished—will be lost if we accept the Senate amendment limiting and qualifying the assistance authorized. The Senate amendment would practically destroy the purpose of the bill, because that amendment provides that no loans shall be made in addition to those now approved until all bonds so purchased by the Secretary of the Treasury shall have been redeemed or repurchased, unless such loans shall be made for the sole purpose of increasing foodstuffs. So, if we wish to stabilize the market for these bonds and sustain their value during the existing emergency, let us pass the House bill without amendment and serve notice on the investing world of our purpose to stand by the system, and not go at the matter in a half-hearted way.

If we do this, investors will abandon hope of driving a better bargain and normal investments will be revived. While I do not believe that without the passage of this bill the bonds could be depressed to the point of destroying the system, it must be borne in mind that under the existing law no loan can be made at a rate of interest in excess of 6 per cent, and that the rate to the borrower can not be more than 1 per cent above the amount at which the bonds of the Federal land banks sell. So it is better to take no risk of such serious and far-reaching results. Surely, this House would not be guilty of such folly.

For my part I agree with the veteran statesman from Illinois [Mr. CANNON] that the Government is morally responsible for these bonds and should guarantee their payment. I realize that this view has been rejected all along, and will be for the present. But some day I expect to see this great system simplified and utilized as a great instrumentality of the Government for the development of the agricultural interests of the Nation to a degree not possible under the existing law. For the present, especially in the great emergency confronting the Nation, creating, as it does, an unprecedented call for the increased production of the necessities of life, surely no one who understands the situation would have the Government withhold the temporary aid indispensable to the continued usefulness of this system to the farmers of the land.

Let no one be alarmed by fear that the Government will be involved in loss through the operation of this measure. These bonds have every safeguard thrown around them than can be devised. The bonds of each of the land banks are secured by the entire 12 banks, all under strict Government supervision, having as chief security land, which really constitutes the greatest basis of credit of the Government itself. In Germany bonds



of land banks in a system similar to ours sold last year above the bonds of the Imperial German Government.

For my part, I am not frightened because this bill embodies something unusual. We are doing unusual things here every day. The Government established and controls and operates a great commercial banking system, lending its credit by issuing currency based upon commercial assets. It has built and equipped railroads and canals. It is now taking over the vast railroad properties of the Nation. This is being done not alone because their operation is essential to the Nation's welfare in the present crisis, but for the additional reason that railroad values and securities should be stabilized and upheld.

The development of agriculture and an increased production of farm products at this time transcends in importance all other economic problems confronting the Nation. It is not true, as has been suggested here to-day, that the benefits of the Federal Farm Loan System are limited to those who actually borrow of the land banks. Before the establishment of this system the farmers of the country were paying between 8 and 9 per cent interest. In round figures, their annual interest debt was something like one-half a billion dollars. The average interest rate in all lines of business was not much more than one-half of the rate paid by them. Such a discrimination has depressed agriculture, decreased production, and tended to drive the young men of the country from the farm to the cities and industrial centers. The Federal farm-loan law has reduced interest rates not alone to the farmer, who borrows under the system at 5 per cent, but through its operation banks and loan companies have reduced their rates, resulting in a general stimulus throughout every agricultural section of the country. It is not demagogery but the part of wisdom and patriotism to continue this good work. In doing so we not only serve the best interest of the farmer but we promote the welfare of every citizen of the Nation, no matter where he lives nor what may be his pursuit, because the time has come when an increased production of the farm is indispensable to the well being of all citizens and classes.

The rural population of the United States decreased from 70.5 per cent in 1880 to 53.7 per cent in 1910. The tenant farms in 1880 constituted 25 per cent of the total; in 1910 they had increased to 37 per cent. These figures are sufficient to impress every thoughtful man with the wisdom of attempting by every means at our command to make farm life more pleasant and farming pursuits more profitable. They present a problem upon the solution of which rests the future peace and happiness of the Nation. This truth is emphasized to-day as at no other period of our history, when the Republic is engaged in a struggle to the death with the biggest and bloodiest military power the ages have known—a struggle the result of which depends upon our ability to furnish food for the armies of the Nation and their allies. It would be folly unthinkable, while sending billions across the sea to support the soldiers associated with ours in battle, to withhold the paltry assistance carried in the pending bill to make it possible for the farmers of the Nation to do their part in winning the war. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. GLASS. Mr. Chairman, how much time have I?

The CHAIRMAN. The gentleman has 15 minutes.

Mr. GLASS. Mr. Chairman, I hardly think it necessary to continue this discussion. I think, perhaps, everything essential for an accurate understanding of the case has already been said.

Statements to the contrary notwithstanding, there is not one whit of politics in this measure. For myself I may avow that in the 16 years I have been in this House I have never taken a partisan or narrow political view of any economic question. I would lose my own self-respect if I should do it. If I could not feel that I have vision enough to contemplate public measures in their genuine governmental aspects I would want to quit the House.

There is no sectionalism in the proposition, as any Member may very soon convince himself by the most casual inspection of this table, prepared by the Farm Loan Board, of applications for loans and loans approved and granted and of loans now pending. There is nothing sectional about it.

I deny, Mr. Chairman, that the farm loan system has "broken down" in any true sense of the term—certainly not any more than the railroad systems of this country at this time have "broken down"; not any more than the food supply by individual initiative and enterprise has "broken down"; not any more than the fuel supply of the country in the hands of individuals and corporate interests has "broken down." The fact is that nearly every public utility has broken down in this war emergency, except the Government of the United States;

and God grant that this Government may never break down—and certainly not now. [Applause.]

As far as the principle involved in this measure is concerned, it is already embodied in the farm loan act—not by any effort or even assent of mine, but it is there. In the subscription by the Government to the capital stock of the bank it is there, and in other respects it is there; and this is simply a utilization in larger form of the principle that the Congress has already put into the act itself. I do not agree with the principle, but I heartily advocate its efficient and temporary utilization at this extraordinary period.

Mr. FESS. Will the gentleman yield for a question for information?

Mr. GLASS. I have only a few minutes, but I yield for a brief question.

Mr. FESS. I want to know whether in this emergency, when the Government embarks in taking the bonds, it will ever get rid of that or whether we will not continue it after the war is over?

Mr. GLASS. I think we will not continue this aid. I think there will be no need to do it. These bonds will be gotten rid of by the Treasury in a specific time. The gentleman from New York [Mr. PLATT], my colleague on the committee, who is always patriotic and always fair, and who discusses measures with intelligence and character, stated the case in a nutshell. Not in terms, but practically, he admitted what I have contended all along, that this is primarily a psychological proposition. He says there is no trouble about selling these bonds. The Farm Loan Board says there is trouble about selling the bonds.

Accepting the gentleman's statement that there is no trouble about selling, then the Government will not be called upon to spend a dollar for the purchase of these bonds. What we are proposing here is simply to create a situation in which the Farm Loan Board may be enabled to dispose of these bonds without being squeezed to a higher rate of interest, and that is the whole of it. I think myself that the bonds will be speedily sold when Congress enacts this legislation.

Now, just a word as to the Senate amendment. I am utterly opposed to it, because it cuts the very vitals out of the psychological aspect of the proposition. Not only am I opposed to it, but the farm loan commissioner, who is an expert in these matters, who has spent his life in the bonding business and knows what the bonding business is, distinctly states in a letter to me that in his judgment the amendment put on by the Senate limiting future loans to such as are for the increase of food products would not only discredit but hopelessly cripple the operation of the system, and I agree in that judgment. That is precisely what it would do.

And, moreover, it is absolutely impracticable. As has been stated here, 90 per cent of the loans made to farmers involve, either directly or indirectly, the refunding of existing loans. A farmer who wants to increase the productivity of his farm, who wants to engage in larger operations—to be specific, a farmer who has a mortgage of a thousand dollars already on his farm and who needs a thousand dollars additional for productive purposes can not borrow the money from the Federal farm loan bank by making application merely for \$1,000. He must make application for \$2,000 in order to discharge the existing mortgage on his farm before he can get any credit at all; because the farm loan act, in terms, requires that the farm loan bank shall have a first mortgage on the farm; so that the existing mortgage has to be refunded. And that is what the Farm Loan Board means when it says that 90 per cent of these loans involve a refunding operation.

If we adhere to the Senate amendment, we practically make it impossible of operation and we utterly destroy the psychological aspect of this measure, which I think is important. I do not believe the Federal Treasury will have to expend one dollar for the purchase of these bonds if the Congress will enact this legislation. The Farm Loan Commissioner is an expert, experienced bond man, and he expresses the opinion that the investing public—and this is said in no reprehensible sense—is holding off under the very reasonable and natural expectation that the Farm Loan System, having no immediately available funds, will have to increase the rate of interest on the bonds or reduce their selling price. I believe that the moment it is known that this Government will not permit this system to be held up—will not permit this "squeezing" process—just as soon as that announcement goes out and the investing public knows that if it does not take these gilt-edged securities the Treasury will, then the last dollar of them will be taken.

As has been stated, there are commitments now to the extent of \$70,000,000, which, as the gentleman from New York [Mr.

PLATT] has said, will be practically reduced to \$50,000,000; and it would make an impression upon the farming communities that would be hurtful to all of our national interests to have this system suspend operations and refuse to meet the moral obligation to loan this \$50,000,000.

I think I have said all that is needful to be said.

The CHAIRMAN. General debate is closed, and the Clerk will read the bill.

The Clerk read as follows:

*Be it enacted, etc.,* That the Federal farm-loan act, approved July 17, 1916, is hereby amended by adding at the end of section 32 the following:

"The Secretary of the Treasury is further authorized, in his discretion, upon the request of the Federal Farm Loan Board, from time to time during the fiscal years ending June 30, 1918, and June 30, 1919, respectively, to purchase, at par and accrued interest, with any funds in the Treasury not otherwise appropriated, from any Federal land bank, farm-loan bonds issued by such bank.

"Such purchases shall not exceed the sum of \$100,000,000 in either of such fiscal years. Any Federal land bank may at any time repurchase, at par and accrued interest, for the purpose of redemption or resale, any bonds so purchased from it and held in the Treasury.

"The bonds of any Federal land bank so purchased by the Secretary of the Treasury, and held in the Treasury under the provisions of this amendment one year after the expiration of the pending war, shall upon 30 days' notice from the Secretary of the Treasury, be redeemed or repurchased by such bank at par and accrued interest.

"The temporary organization of any Federal land bank as provided in section 4 of said Federal farm-loan act shall be continued so long as any farm-loan bonds purchased from it under the provisions of this amendment shall be held by the Treasury, and until the subscriptions to stock in such bank by national farm-loan associations shall equal the amount of stock held in such bank by the Government of the United States."

Sec. 2. That all acts or parts of acts inconsistent with this act are hereby repealed, and this act shall take effect upon its passage. The right to amend, alter, or repeal this act is hereby expressly reserved.

Mr. GLASS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Strike out all of the enacting clause and insert the following:

"That the Federal farm-loan act, approved July 17, 1916, is hereby amended by adding at the end of section 32 the following:

"The Secretary of the Treasury is further authorized, in his discretion, upon the request of the Federal Farm Loan Board, from time to time during the fiscal years ending June 30, 1918, and June 30, 1919, respectively, to purchase at par and accrued interest, with any funds in the Treasury not otherwise appropriated, from any Federal land bank, farm-loan bonds issued by such bank.

"Such purchases shall not exceed the sum of \$100,000,000 in either of such fiscal years. Any Federal land bank may at any time repurchase at par and accrued interest for the purpose of redemption or resale any bonds so purchased from it and held in the Treasury.

"The bonds of any Federal land bank so purchased by the Secretary of the Treasury, and held in the Treasury under the provisions of this amendment one year after the termination of the pending war, shall upon 30 days' notice from the Secretary of the Treasury be redeemed or repurchased by such bank at par and accrued interest.

"The temporary organization of any Federal land bank as provided in section 4 of said Federal farm-loan act shall be continued so long as any farm-loan bonds purchased from it under the provisions of this amendment shall be held by the Treasury, and until the subscriptions to stock in such bank by national farm-loan associations shall equal the amount of stock held in such bank by the Government of the United States."

Sec. 2. That all acts or parts of acts inconsistent with this act are hereby repealed, and this act shall take effect upon its passage. The right to amend, alter, or repeal this act is hereby expressly reserved."

Mr. CANNON. Mr. Chairman, at the proper time I would like to offer an amendment to the gentleman's amendment.

Mr. GLASS. I want to inquire whether we can agree on some time for the discussion of this amendment and all amendments thereto.

Mr. HAYES. Is not that a little premature? It may be that this will not require much discussion. I doubt if there will be much discussion on it. I would suggest to my colleague that we run along for a little while.

Mr. GLASS. Under the rule we are not entitled to but 10 minutes.

Mr. LENROOT. On each amendment?

Mr. GLASS. On each amendment. I merely wanted to facilitate the proceedings; I do not want to cut off any reasonable debate.

Mr. HAYES. I suggest that we go on for a little bit and see how it will develop.

Mr. GLASS. Very well; then I yield the floor to the gentleman from Arkansas.

Mr. WINGO. Mr. Chairman, I presume the committee recognizes the fact that this amendment really goes to the real question we have to settle in the consideration of this bill. There are only two matters in dispute: First, are those who are opposed to the legislation, and then those who may be in favor of the legislation and yet prefer the Weeks amendment.

From my viewpoint, if we fail to adopt the amendment offered by the gentleman from Virginia [Mr. GLASS] we might as well kill the bill. Even if you were in favor of the limitation which the gentleman in discussing the Weeks amendment says it places on the law, you can not afford to accept the language of the Weeks proposal, because the Weeks amendment, if

adopted, will mean that within 60 days the land banks will be closed for all practical purposes.

The Weeks amendment says that no loan shall be made until all bonds purchased by the Secretary of the Treasury have been redeemed or repurchased.

Mr. MADDEN. Nobody has seen or knows what the Weeks amendment is.

Mr. WINGO. It has been read.

Mr. MADDEN. The Members of the House would like to know what it is.

Mr. WINGO. I can not yield. I tried to get one gentleman to yield after I had denied myself time as a member of the committee and gave that side 30 minutes more than we had, and he refused.

Mr. LENROOT. But if the gentleman states an inaccuracy, the gentleman ought to yield.

Mr. WINGO. I prefer to argue my proposition in my own way.

Mr. LENROOT. The gentleman should yield to an interruption if he states that which is not so.

Mr. WINGO. The gentleman is discourteous and unparliamentary, but he may take advantage of the protection of the House—

Mr. MADDEN. Will the gentleman yield?

Mr. WINGO. I do not yield, with all courtesy to the gentleman from Illinois. I insist that I have the right to discuss the matter in my own way. If the gentleman from Illinois will only listen, I intend to take up the Weeks proposition and discuss it fully.

Mr. MADDEN. But nobody here knows what it is.

Mr. WINGO. My altercation was not with the gentleman from Illinois, but with the gentleman from Wisconsin, who butted in.

The only Weeks amendment I have found is in the Record on page 501. I will ask the Clerk to give me the original Senate bill. I want the attention of the House and of those gentlemen who feel that the Weeks amendment is the proper safeguard. I want to show you that you go further than any of you think. I have no criticism to make of the author of the amendment, for he does not believe in the system. He does not believe that we ought to grant any relief, but the Senate disagreed with him and he got the best that he could out of the wreck.

Now, the Weeks amendment reads as follows:

Until all bonds so purchased by the Secretary of the Treasury have been so redeemed or repurchased no loans in addition to those now approved shall be made by the Federal land bank—

I have no need to read further. In other words, 11 of the banks may have redeemed all of the bonds which the Secretary of the Treasury has bought from them, and yet if 1 bank has \$100,000 worth of bonds left unredeemed in the Treasury it would mean that the other 11 banks are held up by that 1 bank. That goes further than I believe any man who really believes in the alleged "safeguarding" proposition supposed to be covered by the Weeks amendment.

Let us see what else you do. There is no question but that the whole effect of the bill is purely psychological, for the purpose of stabilizing the market for farm-loan bonds. I think everyone will agree to that. Any fair man will agree that the bond-loan market, like the railroad-security market, has broken down.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five minutes.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that the gentleman from Arkansas may proceed for five minutes. Is there objection?

Mr. LENROOT. I object.

Mr. MADDEN. Mr. Chairman, I think the mere presence of this bill here to-day comes more nearly proving the inefficiency or inexperience of the Farm Loan Board than anything else could. If they had ability and experience, they would have sold the bonds issued and they would not be here. That is the truth of it. It is said that the policy of the Farm Loan Board was to sell the bonds to small purchasers in five and six thousand dollar lots. They refused to sell these bonds to the men who had money and could buy. They prefer to come to the Congress of the United States and dip their hands into the Treasury and compel the Government to tax the people to furnish the money to buy the bonds, instead of going into the market and selling them.

Mr. GLASS. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. GLASS. Does the gentleman think that is a fair statement?

Mr. MADDEN. Yes.



Mr. GLASS. To the gentlemen who are in the service of the Government to say that they prefer to do that?

Mr. MADDEN. Well, they did it.

Mr. GLASS. And that they anticipated doing that?

Mr. MADDEN. I do not know what they anticipated, but that is the effect of it.

Mr. GLASS. Does the gentleman on consideration think that is a fair statement?

Mr. MADDEN. I do.

Mr. GLASS. I am astonished.

Mr. MADDEN. They could have sold these bonds. They would not have had to come here. They refused to sell the bonds except under contract with some men in New York or some other place, and under that contract they restricted the right of the sale of the bonds to a 4½ per cent basis. They could have gone into the open market and sold the bonds at 4½ per cent without a contract, but they did not want men with money to have the bonds they said. That is what is said on the floor by those who speak for them. We have to reach the conclusion that these men are not efficient; that they are not practical; that they do not understand their business; and that they are working along the lines of least resistance, that they can find money more easily by coming to Congress and getting it out of the Treasury of the United States, by taking the money that we wring from the blood of those who are compelled to save, which we obtain as the result of selling liberty bonds.

These bonds ought to sell and can be sold, and if the men in charge of the Farm Loan Board are not qualified and have not the experience they ought to be supplanted by men who have the qualifications and experience and understand the thing that ought to be done. Why should the Government loan money to men who want to place mortgages upon their property? Why, it was only a year or so ago that we had before us a bill for the deposit of hundreds of millions of dollars in certain banks in the cotton section of the country with the requirement that those banks should loan the money to cotton raisers at a certain fixed price per pound of cotton. The bill was not passed. This is the equivalent of that except in another form. It is wise that the bill which we had before us before did not pass; the Congress refused to consider it seriously and it was laughed out of court, and there was just as much merit in that as there is in the bill now before us. Tell these men who have been charged with public responsibility and who have been given the amount of \$9,000,000 already out of the Treasury of the United States to exercise their genius, if they have any, and furnish a market for the bonds. Ah, they will be putting mortgages on land that the Government will have to take over after a while. A vast amount of loans that are being made by this Farm Loan Board is being made in sections of the Nation where the lands upon which the mortgages are placed are absolutely valueless. You do not find money loaned in sections of the country where the land is worth something, because they can borrow the money more cheaply from private sources than from the Farm Loan Board. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANNON. Mr. Chairman, I desire to offer the following amendment.

The CHAIRMAN. The Chair will state to the gentleman from Illinois that he promised to recognize the gentleman from Mississippi and then he will recognize the gentleman from Illinois.

Mr. STEPHENS of Mississippi. I am willing to allow the gentleman from Illinois to proceed and I will follow him.

Mr. CANNON. Does the gentleman desire to offer an amendment? Does he have an amendment to the amendment?

Mr. STEPHENS of Mississippi. No, sir; I have not.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Mr. CANNON offers the following amendment to the amendment: Strike out all of section 1 of the amendment, beginning with line 6, page 1, and insert in lieu thereof the following: "the payment of all bonds provided, principal and interest, heretofore or hereafter issued by any Federal land bank, is hereby guaranteed by the Government of the United States."

Mr. CANNON. Mr. Chairman, it is admitted by all the friends of this bill that under this law on the statute books the Government of the United States is morally bound with a guaranty. Does anybody object to that statement? Silence gives assent. Now, then, there has been some doubt by some people, putting an anchor to the windward, as to whether the Government is bound. Now, in my judgment, it is morally bound, strengthened by the circular that was issued by the Federal Farm Loan Board, with the opinion of Justice Hughes, with which gentlemen are familiar, that the Government is committed to a guaranty of the bonds. Now, you can, in my judgment, settle the whole matter. Under the law as it is now bonds can,

I think, be issued in the discretion of the Federal Farm Loan Board. At what? Five or six per cent?

Mr. BYRNES of South Carolina. Must not exceed 6 per cent.

Mr. CANNON. Must not exceed 6 per cent. Now, I have not any doubt, nor has any gentleman of this House, in my judgment, any doubt that a bond at 4½ per cent net to the man who buys the bond, and certainly 5 per cent in any event, exempt from taxation, both State and National, both inheritance and surtax, will command the money without any doubt. Ah, says some gentleman, it is patriotic for the Secretary of the Treasury or the Farm Loan Board to hold up and not put the bonds on the market while the liberty loan was being pressed. It may happen that that may come again. I do not believe it will, because with a 4½ per cent liberty bond I believe that would go. This is better than a 5 per cent liberty bond, because it is absolutely free from inheritance tax and surtax. Now, why fuss about getting the money in the Treasury and buying the farm loan bonds under the provisions of the House or Senate bill? Why, may be I am foolish in my old age, but I have no doubt that the amendment amended as I have proposed—

Mr. SNOOK. Vote it down.

Mr. CANNON. Well, my friend says vote it down. Why—

Mr. SNOOK. Well, vote it up.

Mr. CANNON. That is right. I think it settles the whole question, and as long as this act stands upon the statute book and these banks exist there can be no question about the money forthcoming to meet the bonds that shall be issued. It can not hurt the farmer; it can not hurt the Government because the Government guarantees, gives credit. It gives credit to these bonds, and no man, no Socialist, no repudiationist, no Populist, no highflyer, no fool, can dispute the value of these bonds.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STEPHENS of Mississippi. Mr. Chairman, the bill now under consideration proposes an amendment to the farm-loan act. If this bill is enacted into law, the Secretary of the Treasury will be authorized to purchase bonds from the Federal land banks.

Bills identical in language were introduced both in the Senate and in the House. The committee of each body reported the bill without amendment. The bill has passed the Senate with what is known as the Weeks amendment.

As stated by the chairman of the Committee on Banking and Currency, Mr. GLASS, he will move to strike out all after the enacting clause, the Senate bill as amended being now before us, and substitute the original bill.

It is my purpose to support the motion of the gentleman from Virginia [Mr. GLASS].

As was said by Senator GRONNA, the Weeks amendment practically nullifies the whole bill so far as giving any benefit to the farmer is concerned.

The purpose of the farm-loan act is to help build up the agricultural industries of the Nation. What was in mind in the introduction of the original bill was to further the general purpose by authorizing the Secretary of the Treasury to buy the land-bank bonds in order to give an additional sum to be loaned to the farmers.

The Weeks amendment would prevent any farmer who has a mortgage on his land from borrowing any money from the farm-loan banks. The farmer who is not in debt could borrow from such banks.

It is a discrimination that is unfair, unjust, and unwise. It puts the premium upon good fortune and adds an additional handicap and burden to the man who has not been so well blessed.

For example, there are two neighbors, each owning 80 acres of land. One has a mortgage on his land; the other has not. Under the Weeks amendment the one with the mortgage can not borrow; the other can borrow.

Which is in greater need of help? Of course it is the one in debt. Yet under that amendment he will be denied any relief.

Interest rates are high. The purpose of the farm-loan act is to cut down the interest rate as well as to give a long time in which to pay the principal. The man already in debt would be forced to continue to pay a high rate of interest and take his chances of having his mortgage foreclosed, while the man out of debt could borrow at a low rate of interest and be assured that he would have many years in which to pay his debt.

The gentleman from Michigan [Mr. FORDNEY] said that we ought not to refund any loans if it is necessary to take money out of the Treasury to do it, because that money, he said, was taken from the people to be used for the benefit of our soldiers, who are now, or soon will be, in the trenches of Europe.

The gentleman certainly does not grasp the situation. We will not take anything from those boys. We will be aiding them. If not, the whole purpose and effect of the farm-loan act is wrong.

It was passed not to help only a few individuals here and yonder but in the interest of the agricultural classes generally; not simply to help those now out of debt but those in debt.

Why not use this money to refund debts as well as to lend it to those who are free from debt? What we are interested in, what we need, what we must have, is an increased production of foodstuffs. If the debtor is allowed to pay a smaller rate of interest as well as to be allowed to pay only a small portion of the principal, instead of the whole of it, then he will be enabled to expand his activities and to lay out his money in such a manner as to materially increase his production. If every dollar that he gets his hands on must be used to pay high interest and a mortgage debt, with what can he buy fertilizer, improved machinery, or live stock?

The farmers of the Nation have been urged to increase production of farm products. They have responded nobly. The large increase of food production shows this, and I earnestly contend, Mr. Chairman, that we can not afford to do anything to lessen or handicap their efforts, or rather their opportunities, to serve the Nation in a larger way in this hour of great necessity.

Of course food alone will not win this war, nor will men and guns and shot and shell alone win it. All these elements are absolutely essential, and none of them are of greater importance to the United States than food, because the burden of supplying food to the allies has fallen largely upon us. The greatest need of the allies to-day is food.

I shall insert an article from the Banker-Farmer that states in a forceful way the great importance of the farmer in this war, as follows:

#### FARMERS' WAR RESPONSIBILITY.

The war has given to the American farmer the greatest responsibility, the greatest privilege and the greatest task any man or any class of men have ever known. In large degree he will determine the trend of human history for all time to come, because the enormous ultimate consequences of this conflict rest primarily upon the farmers' production of food and feed to sustain the fighting forces. They might fail even with an adequate food supply; without it they are certain to fail.

But in his field, far from the fury of battle, far from either the adventures or the horrors of the firing line, the American farmer will say whether autocracy or democracy shall rule the world during the seasons that are to come.

In a sense the war will be won or lost in the fields, gardens, orchards, pastures, and hog lots of the American farmer.

The hope of the American citizen, not a farmer, also hinges upon adequate agricultural production. Our aeroplanes are useless, our guns are spiked, and our rifles jammed, our shells are but as harmless baubles, if the farmer fails. This must be understood in all its grim force by every man, woman, and child in America; by farmers and by those who are not farmers.

With food we can win the war.

Lack of food will lose the war.

Whether or not we produce the food depends upon whether or not each and every individual farmer does his level best on his farm—produces its maximum.

Many people have thought of the war as "far away," as a remote, impersonal thing, a sort of dreadful nightmare—but not as a specter menacing our immediate persons or property. Our appreciation of the actuality is more poignant now, with our own flesh and blood upon the firing line. That firing line is in France to-day. It will come to America if the farmer fails.

No matter what course military strategy may take, the final battle field of the war is already fixed. The Waterloo of the Prussian autocrat and all he stands for, or the Waterloo of American liberty—the end of autocracy or the end of democracy—the end of Prussianism or the end of freedom—will be wrought on the battle field of the American farm—every American farm.

Mr. GLASS. Mr. Chairman, I am told that practically the only amendments to be proposed to the amendment offered by me, aside from the amendment just offered by the gentleman from Illinois, are amendments to take the bill back to the Senate form. And if that be so, I would like to have those amendments sent up to the desk right away, with a view of moving to close debate on my amendment and all amendments thereto.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all amendments to be offered be now reported. Is there objection?

Mr. McFADDEN. Reserving the right to object, in answer to the query of the gentleman from Virginia [Mr. GLASS] I might say I have some amendments here that I will send to the desk covering the points he mentions, and in addition to them one other amendment.

Mr. GLASS. I ask that the gentleman send all his amendments to the desk.

The CHAIRMAN. Is there objection?

Mr. MADDEN. Mr. Chairman, reserving the right to object, I would like to ask the gentleman from Virginia if it is his intention to foreclose debate on amendments that may be offered, so that Members of the House will not know what is in the amendments?

Mr. GLASS. As I have stated, my information is that the only amendment to be offered, aside from the one offered by the gentleman from Illinois [Mr. CANNON], involves taking the bill back to the Senate form. And I distinctly inquired if there

were other amendments of a different nature. If not, I think we have very largely debated the proposition as to whether the Senate amendment shall prevail or not, and I have it in mind to move to close debate.

Mr. GREEN of Iowa. I do not think the gentleman ought to do that without giving some of us who have not spoken an opportunity to speak.

Mr. GLASS. I do not mean to do that. I want to develop how many people want to speak.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. LENROOT. Reserving the right to object, I think it would be better procedure if we voted upon each amendment. The gentleman could move to close debate on each amendment, and the House could vote intelligently on each amendment before it.

Mr. CANNON. I would be glad to have a vote on the amendment to the amendment, and when that is disposed of other amendments can be offered.

Mr. LENROOT. The gentleman can move to close debate—

Mr. GLASS. I am perfectly willing to vote on the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. CANNON].

The question was taken, and the Chairman announced that the yeas seemed to have it.

Mr. CANNON. Division, Mr. Chairman.

The committee divided: and there were—ayes 63, yeas 71.

Mr. CANNON. Tellers, Mr. Chairman.

The CHAIRMAN. The gentleman from Illinois asks for tellers.

Tellers were ordered; and the Chairman appointed Mr. CANNON and Mr. GLASS to act as tellers.

The committee again divided; and the tellers reported—ayes 56, yeas 82.

So the amendment was rejected.

Mr. HASTINGS. Mr. Chairman, the bill before us (H. R. 7731) has for its purpose the amending of the Federal farm-loan act approved July 17, 1916. It authorizes the Secretary of the Treasury to purchase at par and accrued interest not to exceed \$100,000,000 of Federal farm-loan bonds for the fiscal years ending June 30, 1918, and June 30, 1919. Provision is made for the redemption or repurchase by the Federal land banks of the bonds upon 30 days' notice at any time after one year after the expiration of the present war.

The rural-credits system was authorized by the act of July 17, 1916. Twelve land banks were to be established. About six months elapsed before the members of the Farm Loan Board were selected, the banks established, and their officers and employees appointed, so that the several farm land banks have now been in operation less than a year. Up to December 1, 1917, 1,839 local cooperative associations have been chartered, the charters of 2,019 associations have been approved, and applications for 1,171 charters are pending, so that there have been formed and in process of formation 3,190 local loan associations.

These associations have applied for 92,446 loans, aggregating \$219,760,740. Of these loans, 44,332 have been approved, aggregating \$105,136,529. The total number of loans closed is 14,000, and \$29,824,655 have been paid to borrowers.

In my State of Oklahoma 86 local loan associations have been chartered and 17 additional associations are under consideration, with 15 more in process of formation, or a total of 118 associations when all are organized. There have been 2,804 loans applied for in Oklahoma, aggregating \$6,075,157. Of these loans, 913 have actually been closed, aggregating \$1,740,200. Loans aggregating \$4,327,957 are pending approval and disbursement.

This summary justifies the enactment of the rural-credits law. It was designed to stimulate agriculture. Everyone living in the country should have an ambition to ultimately own and cultivate a farm. The rural-credits system enables farmers to borrow money on long-time loans at a low rate of interest upon first-mortgage securities. There is greater need now to stimulate agriculture, because of the war, than when the act was passed. We need to greatly increase our food supply, not only for ourselves but for our allies. Everybody appreciates that we are going to win this war not only with men but with munitions, clothing, food, and the financial aid our country can give.

If we had not been forced into this world-wide war, there would have been no necessity for this legislation, because these farm-land bonds would have found a ready market everywhere. The 4½ per cent bond was being sold at 101½, or a premium of 1½ cents on the dollar. The offering of so many war bonds has attracted immense sums of money. Interest rates on com-



mercial paper have increased, so that there is not now the same ready sale for farm-land bonds that there was before the war broke out. The necessity for stimulating agriculture increases as the war proceeds.

The loans applied for aggregate \$219,760,740, and the sum of \$29,824,655 has actually been loaned. This leaves \$189,936,085 in loans applied for and approved but for which the farm-land banks do not have the money to give the borrowers. Such farm-land bonds as have been sold were  $4\frac{1}{2}$  per cent bonds. They were sold at 101 $\frac{1}{2}$ . A small part of the  $1\frac{1}{2}$  premium was allowed for the sale of the bonds. The remainder of the premium, plus one-half of 1 per cent, was allowed for expenses in administering the system. This enabled the various banks to lend money to farmers at 5 per cent interest, to which, of course, the amortization charge was added. The amortization charge depends entirely upon the length of time the loan is to run. If it runs for a period of 36 years, 1 per cent, payable semiannually, will pay the principal. The farmers of the country under the administration of the rural-credits law during the past year were enabled to borrow money for a period of 36 years by paying 5 per cent interest, plus 1 per cent amortization, which paid both principal and interest. This has greatly stimulated farming, particularly throughout the South, and the farmers of the Southern States have been quick to take advantage of it.

Farmers should remember that they can borrow money not only for the purpose of buying land but to pay off existing indebtedness, to make permanent improvements upon their land, and to buy machinery, equipment, and fertilizer.

I was very much interested in the bill when it was being considered by the Banking and Currency Committee, of which I was a member, and when it passed the House, and I favor the enactment of the present amendment. As soon as this war is over farm-land bonds will find a ready sale and the farm-land banks will be able to repurchase them. In my judgment, it will not then be necessary to longer extend Government aid.

However, one criticism has been made against the system, and that is the delay in making the loans. I have invited the attention of the Farm Loan Board and the farm-land bank at Wichita to it. This bank has jurisdiction over my State. In an effort to expedite consideration of loans and to overcome this objection, when the original bill was up for consideration in the House more than a year ago, I pointed out that it was the only objection which I feared. The Federal Farm Loan Board answered my inquiry with reference to delays by calling attention to the fact that many men who are forming the local associations are not men with business experience; that their papers are not correctly filled out when first received, necessitating their return in a great many cases; that after they are received in proper form delay is caused by reason of a large number of applications being received at the same time; that it is necessary to make the preliminary investigation required by the rural-credits law before recommending that the charter be granted; and that while some of the fault is due to delays, much of it is due to the inauguration of a new system, with which no one, not even the men in charge, is familiar.

I called on the farm-land bank at Wichita, Kans., and also the Federal Farm Loan Board in Washington, for specific data as to the charters issued for local associations in my district in an effort to definitely fix the cause of these delays. I found that but five charters had been issued for local associations in my district. The original papers for the one at Tahlequah are dated March 17, 1917, but all the signatures were not secured and the papers were not sworn to until May 12, 1917. The farm-land bank at Wichita made an investigation and forwarded the papers to the Federal Farm Loan Board on June 20, 1917. This was a month and eight days after the application for a charter was perfected and sworn to. The charter was issued on June 23, 1917, so that the application for this charter was with the Federal Farm Loan Board only three days.

However, I am advised that many of these prospective borrowers did not receive their money until three or four months thereafter. What is true of the association at Tahlequah is also true of the one in Adair County and true of the associations at Fort Gibson, Wagoner, and Enterprise. Upon investigation I find that none of the applications for charters remained with the Federal Farm Loan Board more than five days. I have called for definite information several times as to when members of these local associations actually received their money upon the loans applied for, but have not as yet received the same. I feel sure that after one or more local associations have been chartered in each county and farmers become used to the system and get their details in good shape with abstracts brought down to date such long delays will not be experienced as when the system is new. I think much can be done by the farm-land banks in expediting consideration of applications for loans. If the system is going to be a success, this will have to be done. No

prospective borrower can wait from six to eight months to secure favorable action upon his application for a loan to be used as a partial payment on land or for any other purpose. He will be forced to borrow money at a much higher rate of interest from individuals, banks, or loan companies. Where the abstract can be examined at once and the land viewed and appraised, the transaction should be closed within a few days.

I believe that a further testing of the system will prove its great value to the farmers of the country and to the Nation, but I indulge the prediction that amendments will be necessary to the act, which will have for their purpose expediting the making of loans. For my part I do not think local associations are necessary. I so stated when the bill was up before the Banking and Currency Committee and when it came up for consideration in the House. I see no reason why local agents could not in safety be appointed, using a county or a district as a unit, through whom individuals could submit applications to the farm-land bank and at the same time submit an abstract brought down to date and comply with such other rules and regulations as may be prescribed by the Federal Farm Loan Board or the farm-land bank. This agent could either view and appraise the land, or the present system of appraising could be followed. Assuming that there is money on hand with which the farm-land bank could make the loan, there is no reason why the whole transaction could not be completed and the money sent to the borrower within a week after his original application is made if the local representative were permitted to appraise the land. The agent could see that the application is made in the proper form upon blanks prepared by the farm-land bank, and that the abstract is brought down to date, and could soon become an expert in passing upon the less complicated abstracts.

The rural-credits law has greatly lowered interest rates throughout the South and West, and has been the cause of much more favorable terms being extended those who borrow money. If we had not become involved in this war, interest rates would have been much lower, and prospective borrowers could have secured much more favorable terms from those anxious to invest in the very best and safest securities—farm mortgages.

Pass this amendment and provide the money to make the loans to farmers, and you will enable the tenant farmers to purchase homes, increase the number of farmers, cause all surplus lands to be placed under cultivation, increase very greatly the production of all kinds of farm products, and increase the general prosperity of the country. While the present bill only extends temporary Government relief during the period of the war, if bonds to the amount of \$2,000,000 are bought by the Government within the next two years and the money is loaned to members of local loan associations, making it possible to organize additional associations in every county throughout the country, you may rest assured the system will be so strengthened that the representatives of the people in Congress will in the future continue the system, enlarge and amend it, and no backward step will be taken.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. HASTINGS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. WATKINS. Mr. Chairman, I make the same request.

The CHAIRMAN. The gentleman from Louisiana makes the same request—to revise and extend his remarks. Is there objection?

There was no objection.

Mr. KINKAID. Mr. Chairman, I make the same request.

The CHAIRMAN. The gentleman from Nebraska makes the same request. Is there objection?

There was no objection.

Mr. WALSH. Mr. Chairman, I rose for the purpose of objecting. I was on my feet. The Chair went so hurriedly that I could not secure recognition.

The CHAIRMAN. The Chair did not see the gentleman rise in time, and thinks the objection comes too late.

Mr. GREEN of Iowa rose.

The CHAIRMAN. The gentleman from Iowa is recognized.

Mr. GREEN of Iowa. Mr. Chairman, if there ever was a time when this House ought to exercise a little sober thought, it is right now. Since the foundation of this Government, if I understand, the total amount collected and the amount of money expended by the Government has been around \$28,000,000,000. We are now asked to raise about \$20,000,000,000 this fiscal year—probably as much the next year—and the Committee on



Ways and Means has been struggling with that proposition. If the time can possibly arise when no money ought to be loaned to anybody by this Government, except under the most dire necessity, that time has been reached right now.

I am inclined to think that, so far as the loans already made by the land bank are concerned, it is a case of dire necessity. I think that we can not afford to let these banks fail, and that is probably what would happen if we refused this money, and a large number of other calamities would ensue. I am therefore in favor of the Senate bill, but I am not in favor of anything further.

Why, gentlemen, take this matter into fair consideration. Gentlemen of the House, myself and others have been out during the vacation that ensued since the recess on December 18, calling upon men who had only \$900 or \$1,000 a year, or up to \$1,500—sums that many gentlemen are saying now are not sufficient on which to support a family—asking them to subscribe to liberty loan bonds, and now we are proposing to take that money and loan it to somebody else who is in a better situation, so far as I know, than the men from whom it is proposed to derive this great sum of money. We ought to have consistency in our financial system. We are putting out bonds at 3½ per cent and 4 per cent, Government bonds, and we are asking the people to subscribe for them, saying that is the Government rate; and now we are proposing to loan out this money to some other parties in order that they may reduce some interest rates.

Such a proposition was never before presented to any Government or to any House, in my judgment. When this farm-loan bill was first presented to the House we were told that \$9,000,000 would be enough to start it; that \$100,000 would be enough to pay the expenses of organization; and that the money would not be loaned except to people who needed it in agriculture, upon first-class security.

Now we find that instead of taking a small amount it is going to take at least \$100,000,000 this year and \$100,000,000 next year under the amendment proposed by the gentleman from Virginia. Now we find that the organization expenses are not satisfied with \$230,000, as some gentleman has stated, but that the expenses of loaning are, up to date, something like 2½ per cent on the amount loaned. How many votes would this proposition have got in the House if at the time the bill was originally pending in this House we had been told that when the Government was struggling to save itself from absolute destruction we would be called upon to furnish \$200,000,000 more? Gentlemen say that we are loaning money to the allies—France and England. So we are, but I did not vote for that on the ground that it would lower the rate to France and England. I did it because I wanted to save the people of this country from having the Kaiser's foot on our necks. That is what I had in mind when I voted for that. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. QUIN. Mr. Chairman and gentlemen, every man who talks against this bill has some excuse to offer for his action. Here is the gentleman from Iowa, who stated that he voted to loan \$500,000,000 to England, France, and Italy and for \$200,000,000 to Russia. Yes; that is all right. I voted for it, too; but he is against this bill providing that the United States Treasury shall take up mortgages and lend \$100,000,000 a year for the great farming industry of this country, that produces \$22,000,000,000 worth of food and material for clothing to feed and clothe the people of this country and our allies in the war. [Applause.] Gentlemen are willing to loan hundreds of millions of dollars to our allies across the water, and all of us are in favor of that, but some of you object to the loan of \$100,000,000 this year and \$100,000,000 next year to the farmers of this Nation to make crops to feed and clothe the 104,000,000 people here and our allies in Europe and the million and a half of soldiers that we propose to have over there. So the gentleman from Kansas [Mr. CAMPBELL] strenuously objects to this bill after the farmers of his State have already received \$5,000,000 from the Government under this proposition. So the gentleman from Philadelphia [Mr. MOORE], who always gets up here and takes a big hammer and hits the farmer over the head [laughter], proposes to rise up on this occasion and keep the farmer from having this money. They say that the United States Government is going out to ask for a \$3,000,000,000 liberty loan, and that for that reason, forsooth, the farmers of this country should not have a loan to pay off the heavy debts and the mortgages that now hang over their heads in order that they may operate their farms successfully and produce the necessary food and clothing to keep up the world and carry on this war. [Applause.]

Gentlemen talk in favor of the Weeks amendment on this bill, but if they will analyze it they are bound to know that it cuts the guts out of the bill and that it will be worthless to the farmer who already has a mortgage or deed of trust on his land.

[Applause.] Where is there a man on the floor of this House whose heart honestly beats for the farmer who will favor the Weeks amendment as passed by the Senate? Do you suppose that the men in this Congress who represent the great cities, with their enormous wealth and great financial interests—lenders of money, who come and offer amendments to this farm loan proposition—are going to come in here and offer amendments for the benefit of the farmer? Do you not know they are endeavoring to keep the rate of interest high? Always beware of such gifts as that. Look out for an amendment coming from some gentleman from a city, who has nothing in common with the man behind the plow. [Applause.]

This Glass substitute bill is the thing that will do the work. Farmers can borrow money at low rates of interest under this bill. You can not fool the man whose heart is for the farmer. We know the Weeks amendment is a wolf in sheep's clothes. [Applause.] Why, all of us men, who a few minutes ago voted for Uncle JOE CANNON's amendment, which provided that the Government should guarantee these bonds, these men are for the farmers of this country heart and soul. I am happy to say I am one of them. [Applause.] I voted for that proposition when we had it in the original farm-loan bill. I voted for it in the caucus. The gentleman [Mr. GREEN of Iowa] who preceded me said, "Who would ever dream that anybody in this Congress would vote for a proposition for the United States Treasury to buy these mortgages from the farmers?"

Why, my friends, I voted for that in the Democratic caucus in 1913, and a great many more friends of the farmers voted for it. We were not in a majority in that caucus, but here to-day I am proud to see a great drove of Republicans who are friends of the farmer come over to this proposition and are advocating it on the floor of the House. [Applause.]

One gentleman, endeavoring to kill our bill, said it is populism. Well, we have needed a little populism in this country for a long time. [Laughter.] Some talk about taking over the railroads. Nobody can object to the Government coming along and taking the railroads when they are so congested. All of you ought to favor it. I am no Socialist, but I am proud to-day to see you gentleman recognize the fact that the Government of the United States is already in charge of the railroads of this country, and I hope it will be in charge of them from now until the very end of the existence of man. The farmers of this country have been robbed too long by the transportation companies. When private enterprise can not handle things in an emergency to properly protect the people the Government should take charge and protect the masses of this Republic. People should not be forced to shiver and freeze for the lack of coal—and suffer and starve for the lack of food. [Applause.]

Mr. McFADDEN. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Line 9, page 1, after the words "nineteen hundred and eighteen," strike out the rest of that line and line 10 down to and including the word "respectively."

Mr. McFADDEN. Mr. Chairman, also the following amendment, which I send to the desk, to complete that.

The Clerk read as follows:

In line 4, page 2, after the figures "\$100,000,000," strike out the words "in either of such fiscal years."

Mr. McFADDEN. Mr. Chairman, that simply provides that the appropriation is for the current year, for \$100,000,000, to conform to the Weeks amendment, which will be offered a little later. I do not care to discuss those amendments at this time.

Mr. SUMNERS. Mr. Chairman, I am opposed to the Weeks amendment. In order that the maximum of benefit may be had from the Federal farm-loan bank, it is necessary not only to provide a low rate of interest for the loans effected through the bank but it is necessary that the bank shall at all times be in unrestricted competition with private capital seeking investment in farm loans. During the course of this debate a number of gentlemen have based their opposition to the House bill upon the proposition that it would be unjust to the patriotic citizens of this country, and especially to the poor people, who placed their money in the Federal Treasury by the purchase of liberty loan bonds, for any part of that money to be used, as it may be used if this bill is passed without the Weeks amendment.

Mr. Chairman, I desire to direct the attention of these gentlemen to the fact that in this country we have passed the point where it is wise to consider that the farmer alone is interested in the economic problem of the farm. The whole country is face to face with the imperative necessity of helping agriculture to raise its bid for population, in order that that proportion of population which is necessary to feed and clothe us may be held in the country. There is no longer a surplus of agri-



cultural products. Even though agricultural products are still sold to the highest bidder the margin between production and the imperative necessity is so narrow that the consumers are compelled to include in the price given for that which they eat all overhead charges incident to production. Nobody is more interested than the poor man of the city in having a cheap interest rate for the farmers of this country, because the poor man of the city must pay in the price of every loaf of bread which he purchases a part of the interest charge which the farmer must pay who produces that bread.

The country boy of to-day has been liberated by education from the necessity of following the vocation of his father. He must have as much net profit from agriculture as any other business offer or he will accept the better bid of the other business. Net profit, gentlemen; that is what we must pay. The movement of population in this country shows conclusively that the cities have been offering the better bid, and the almost total exhaustion of the world's reserve food supply shows conclusively that associated with the high cost of living is the peril of widespread hunger.

We have reached the point in the evolution of this problem, Mr. Chairman, when those who are the spokesmen for the farming interests must not shake the confidence of others in their sincerity by engaging in demagoguery, and those who represent the great cities of this country must recognize that as they imperil the strength and attractiveness of agriculture they imperil the food and raiment supply of their constituents. I say that the farmer is no better than anyone else. I would not ask anything for him which is contrary to the soundest public policy. I speak the truth when I say that those of you who live in the cities are more concerned in this great drift of population from the country to the city than are those who represent country constituents. You are more concerned in interest rates than all the farmers because you must pay the charge.

We have reached the point, Mr. Chairman, when the margin between imperative necessity and current production is so narrow that if we were to slip a cog in the machinery of production the question would not be the high cost of living; but where on the face of this wide earth can we get those elements necessary to sustain life? When that time comes, when there is not enough to go around, the constituents of those who represent country districts can hold back enough for themselves, but I ask you gentlemen who represent great cities with their millions of population, a population which neither produces nor possesses a reserve surplus, what will be their situation then? What will you do when these hunger-crazed millions march down your streets behind red banners? Let us face the situation fairly. If the Weeks amendment is adopted, by its adoption you provide that those mortgage concerns which now hold farm mortgages shall not be under the necessity of competing for their renewal with the rates of interest carried by the loans made through the Federal Farm Loan Bank. If you do that, you people who live in the cities will pay the 8 and 10 per cent interest which some of those loans carry. You can not escape it—it is a fundamental economic fact, under existing conditions, that the farmer must have as much net profit as any other business will pay, or he will go to that business which offers him a higher net profit.

That is what has been happening in this country. We have reached the danger point—we have gone beyond the danger point. Our condition is one which appeals to the best constructive genius of this country and to its most disinterested statesmanship. The problems of the farmers are the problems of the country at large.

Mr. JACOWAY. Mr. Chairman, I think the record will disclose that the tenant class in this country has doubled in the last 11 or 12 years; and I would like to ask the gentleman if he has given any thought to that, and if so, what reason he can assign for it?

Mr. SUMNERS. Pardon me for not answering that, because I have not time. However, some gentlemen seem to be laughing, because, I presume, they have concluded that the question embarrasses me and I shall therefore answer it, not in detail, of course. Fundamentally, I should say that the reason why this has occurred is because neither the officials of the Federal Government nor of the several States have recognized that in dealing with the question of home ownership they are not dealing with a matter, from the Government's standpoint, at least, of primary concern to the individual, but are dealing with a matter which is of paramount concern to the Government.

No theory of government can excuse those who act and speak for the Government for permitting the relative decrease of home owners, because the home—the owned home—is the foundation upon which government rests. No government is justified by any consideration in permitting its own foundation to

become weakened. A nation of home owners, regardless of its system or theories of government, can safely be trusted to deal effectively with its problems. No government whose body of citizenship is not composed of home owners is safe, I care not what its form or theories of government are. To the extent of necessity, therefore, every government should go to preserve for itself a foundation of home owners. We have not done that. The Federal farm-loan act is a step in that direction. The Weeks amendment is a step backward. Getting somewhat away from this fundamental aspect, the reason for the increase of tenantry is due to a number of related causes. I will not undertake to enumerate them all.

When the railroads and power factories came, and with them improved farm machinery, the cities began to develop and to offer to the energy and the capital of the country and to the educated and ambitious youth of the country better inducements than the country offered. Many of the young men and women bred in the country, capable of leadership, capable of making money in the country, and therefore capable of acquiring homes for themselves, left the country and left behind them a larger percentage of men in the country who are not so capable from a money-making standpoint. That of itself would necessarily reduce the home-getting average of the country population. Many of those who remained in the country who were possessed of money-making ability, after acquiring sufficient land to sustain their families from the rent thereof, moved to the town and city because of better educational advantages and the other attractions which they found there. The superior economic advantages offered by the vocations of the cities and towns shifted the wealth of the country largely to the inhabitants of the cities and towns, and many men of the cities and towns, by reason of the better credit which their fortunes gave to them, were able to procure money at a lower rate of interest than the individual living in the country and could, therefore, outbid the country man for farm lands coming on the market, other things being equal. Besides, many of them having businesses in the cities and towns which provided them a livelihood, and because of the constant advance in farm lands, they could afford to pay a price upon which they would realize a smaller per cent of revenue than they would ordinarily require, depending upon the increase in farm values to supplement the annual earnings, while the poor man in the country could only offer a price upon which, if he borrowed the money, he could pay interest charges on the principal and liquidate the debt.

The other reasons for the increase of tenantry is disclosed from the form and philosophy of this sort of legislation, which seeks to substitute for high interest rate and a short-time loan low interest rate and amortized payment, under which the tenant farmer can pay the loan in payments which are practically no larger than the interest rate on the farm loans in a large part of the country before this legislation was enacted.

I can not go further into detail. In a sentence, I will say that the increase of tenantry is due to that failure to approach the vital, imperative necessity of home ownership to the Government itself, which, it seems to me, the attitude of some gentlemen here discloses, and the failure to appreciate that the economic problems of agriculture in a peculiar sense are the problems of all of us who must eat to live.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SUMNERS. Mr. Chairman, I would ask that I may have five minutes additional.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that he may proceed for five minutes. Is there objection?

Mr. LENROOT. Mr. Chairman, reserving the right to object, I have no objection provided liberal debate is still to be extended.

Mr. GLASS. I think we have had quite liberal debate, and I propose to move to close debate on all amendments.

Mr. SUMNERS. Then I will not insist.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. MOORE of Pennsylvania. I will not object, but I should like to ask if I could have five minutes before this debate closes somewhere on one of these amendments?

Mr. GLASS. I do not think that it is reasonable that those who have had ample time should take all of the remaining time. I have refrained from invoking the rule because there are so many Members on both sides who have not spoken at all and who have appealed for some time. I am not disposed to have a long debate for the benefit of those who have already spoken.

Mr. LENROOT. The Weeks amendment has not—

Mr. SUMNERS. Mr. Chairman, in view of the peculiar situation that seems to be developed, I withdraw my request.

The CHAIRMAN. The gentleman from Texas withdraws his request.



Mr. KINKAID. Mr. Chairman, I am heartily in favor of the relief as sought by the Farm Loan Board. The condition which confronts the board in the administration of the law is one that ought to be promptly relieved. The board and the farm-land banks are stranded for want of funds. This very beneficent act had but a short time in which to get a start, and we should not allow it to perish while it is yet a yearling, but we should give it fatherly assistance, having brought it into legislative existence. [Applause.]

I think the demand for relief is reasonable and justifiable. I am unqualifiedly in favor of the amendment of the gentleman from Virginia to substitute the House bill for the Senate bill. I should have gone further—well, in fact, I have gone further—in voting for the amendment to the amendment offered by the gentleman from Illinois [Mr. CANNON] that the Government guarantee the payment of farm-land bank bonds. I think that amendment well reflects the wisdom of long-experienced statesmanship.

Mr. Chairman, why should the Government go half way and not all the way in sustaining the operation of the act? Why obligate itself morally, which it has admitted that it has done, to make good and safe the investments in farm-loan bonds without shouldering the responsibility legally and unrestrictedly? It is plain that to remain only morally obligated would thus leave it uncertain how a future administration with a future Congress might view the matter, and that such an attitude would make investors as apprehensive and as cautious as if the Government had given the system no support whatever.

Why not go further and guarantee that farm-loan bonds shall be at all times kept at par to the same extent as a Government bond, pure and simple, is? By so doing the risk and responsibility assumed by the Government would be reduced to the minimum by the increased standing in value given the bonds, and I deem it very unlikely that the Government would ever be called on to redeem bonds if it would guarantee payment.

On the other hand, simply to stand responsible for the act, and, as a mere gratuity, to help along now and then with its operation, may compel the Government to buy and carry a large percentage of the bonds, and thus to become so loaded with such investments as to render it advisable to issue its own bonds whereby to secure funds to pay for the same.

Mr. Chairman, our history has established precedents that prove the Government recognizes a moral obligation equally with a legal obligation. Fortunately, our chief administrators have been wise enough to foresee that it was a good investment and a good State policy to sustain the faith and confidence of the people that justice will be done them at all times and in all cases.

But what is the status? Why, applications for loans have been accepted by farm-land banks to the extent of \$70,000,000, for which the money has not yet been furnished. A large percentage of these applicants are intending to use all or a considerable portion of the money to pay off existing mortgages, and when their applications were accepted they promised their mortgagees to make payments within a certain time. But the farm-land banks were unable to furnish the money within the periods agreed upon, and in many instances the applicants have been obliged to go to their local banks and borrow sufficiently to take up their mortgages. In most cases a short time was given these borrowers by the local banks, and now, when the creditor banks and their patrons need this money for the ordinary commercial transactions, it is lacking. These banks, large and small, doubtless were assured by the farm-land banks that the money would be forthcoming soon in accordance with the applications they had accepted, and, in order that the farm-land banks may keep faith with the local banks, who have undertaken to help the borrowers as well as the farm-land banks, relief must somehow be afforded them.

Mr. Chairman, I take issue with the two or more Members who maintain that it is not justifiable or legitimate to legislate the relief sought for the purpose merely of reducing the rate of interest 1 per cent, which farmers must pay. It is my judgment that this is sufficient ground for affording the relief. One of the fundamental purposes of the farm-loan law, when first sought, was to secure lower rates of interest, and I am glad to say that has been already, in a measure, realized, but the result will be only temporary if the operation of the act is permitted to be long suspended for the want of funds, as is now the actual situation. Members point out that none of their constituents have written them in behalf of this legislation; neither have my constituents expressly requested me to support it; but a number of them have written me earnestly, complaining of the delay in consummating loans for which their applications have been accepted; but in any event, I favor extending relief. I grant that there are large areas where farmers feel no interest what-

ever in the subject, because of their good fortune in not needing loans, since they have large accumulations or live in communities so old and so well developed that interest rates have become reasonably low.

Mr. Chairman, I am in favor of affording relief in accordance with the recommendations made by the Farm Loan Board and O. K'd by the Secretary of the Treasury. I favor it as a war measure; but if our country were not involved in war and the same or a less degree of necessity existed, I would favor the relief.

Both the great political parties were pledged to the farming industry for a farm-loan law for several years before its enactment. Considerable expenditures were made under Republican administrations in collecting information concerning the operation of farm-loan banking systems in European countries, to be used in the preparation of a farm-loan bill, so that the views of Congress had become pretty well matured on the subject before formal steps were taken for legislation when the change came.

Having launched the policy under the act passed, it would not now become us to let it lag or fail for the want of funds, which the Government can without difficulty supply.

The purpose of legislation is to help rather than to hinder the successful operation of the law, and this object will be reached by substituting the House bill unhampered by any restrictions. [Applause.]

Mr. GLASS. Mr. Chairman, I move to close all debate on the pending amendment and all amendments thereto.

Mr. LENROOT. Mr. Chairman, I do not think that is fair. The Weeks amendment has not been offered yet.

Mr. GLASS. I gave notice half an hour ago that it ought to be sent up.

Mr. LENROOT. But under the rules of the House the only way it could be offered is to get recognition, and I have been trying to get recognition for an hour.

Mr. WINGO. Mr. Chairman, I make the point of order the gentleman is out of order.

Mr. LENROOT. I know I am.

The CHAIRMAN. The gentleman from Virginia moves that all debate on this amendment and all amendments thereto do now close.

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. MOORE of Pennsylvania. Mr. Chairman, a division.

The committee proceeded to divide.

Mr. LENROOT. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. LENROOT. The motion is that the debate close on this amendment and all pending amendments. I make the point of order that the reading of this amendment has not been completed. Only section 1 of the amendment has been read.

The CHAIRMAN. The entire amendment has been read.

Mr. LENROOT. I beg the gentleman's pardon. The gentleman from Virginia [Mr. GLASS] at the conclusion of the reading of section 1 offered his amendment.

Mr. WINGO. If that is true, the point of order comes too late.

Mr. MOORE of Pennsylvania. Mr. Chairman, I make the point of order that that is not in order when the committee is dividing.

The CHAIRMAN. The Chair sustains the point of order and will continue the count.

The count was completed; and there were—ayes 72, noes 63.

Mr. LENROOT. Now, I make the point of order that this vote is of no effect because it was not within the power of the Committee of the Whole to make any such order.

The CHAIRMAN. The Chair—

Mr. LENROOT. I want to be heard if the Chair raises any question about it.

The CHAIRMAN. The Chair would like the gentleman to state his argument on the proposition. Does the Chair understand the gentleman to say that in the Committee of the Whole the debate can not be closed after the question has been debated for five minutes?

Mr. LENROOT. Let me give an illustration: Suppose we had a tariff bill under consideration, and at the end of the consideration of the first paragraph in that tariff bill a motion was made to close debate upon the entire bill, and through misunderstanding on the part of the Chair that motion had been put. Now, will the Chair say that if the committee voted to close debate upon that entire tariff bill, something the committee under the rules of the House had no power to do, the vote would be of any effect whatever? And that is exactly this situation.

Mr. SHERLEY. If the Chair please, the Chair has no right to assume that the Committee of the Whole acts without in-



telligence and knowledge of what it is doing. The fact is, a motion was made that might have been subject to a point of order. The gentleman from Wisconsin [Mr. LENROOT], assuming that he had a good point of order, slept on his right and did not make it until after the House was dividing, and therefore lost the right.

Mr. LENROOT. In reply to the suggestion of the gentleman from Kentucky, I would suggest to the Chair, irrespective of a point of order being made, until the reading of a bill is completed the Chair would have no right to put the motion. It does not require a point of order on the part of a Member, because it is the absolute right of every Member, irrespective of a point of order, to have the reading of the bill completed before this motion can be made at all. And if made under that situation it is of no effect.

The CHAIRMAN. The Chair will state to the gentleman from Wisconsin [Mr. LENROOT] that he tried to recognize the gentlemen as they rose who had not spoken under general debate.

Mr. LENROOT. I am not criticizing the Chair—

The CHAIRMAN. The Chair is just stating that. And the Chair tried to be fair. But the Clerk informs the Chair that this bill was read, and that the whole amendment was read as offered by the gentleman from Virginia [Mr. GLASS]. There was no point raised at that time that applied to both sections. And debate has been had on these amendments that have been offered.

Mr. LENROOT. The bill was read, but the amendment was not read, except the first section.

Mr. SISSON. The amendment was read.

The CHAIRMAN. The Clerk informs the Chair that they were read, and so the Chair thinks the motion to close debate was in order and therefore overrules the point of order. On this vote the ayes were 72, and the noes 63.

Mr. LENROOT. Mr. Chairman, I ask for tellers.

Mr. SHERLEY. Mr. Chairman, I make the point of order that the gentleman's demand for tellers is too late. The gentleman permitted the Chair to announce his decision, and then made the point that the decision had no validity, because the committee could not entertain or could not act upon such a matter. Now, having urged that the action of the committee had no validity, and being overruled, he wants to reconsider by tellers the action of the committee.

The CHAIRMAN. The Chair thinks the count had not been announced, and so he overrules the point of order of the gentleman from Kentucky [Mr. SHERLEY]. All in favor of tellers will rise and be counted. [After counting.] A sufficient number has risen. The gentleman from Wisconsin [Mr. LENROOT] and the gentleman from Virginia [Mr. GLASS] will act as tellers.

The committee again divided; and the tellers reported—ayes 88, noes 70.

So the motion was agreed to.

The CHAIRMAN. The Clerk will report the amendment to the amendment offered by the gentleman from Pennsylvania [Mr. McFADDEN].

The Clerk read as follows:

On line 9, page 1, after the words "nineteen hundred and eighteen," strike out the rest of that line and line 10 down to and including the word "respectively."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will report the other amendment offered by the gentleman from Pennsylvania [Mr. McFADDEN].

The Clerk read as follows:

Line 4, page 2, after the figures "\$100,000,000," strike out the words "in either of such fiscal years."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

Mr. McFADDEN. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Pennsylvania offers another amendment, which the Clerk will report.

The Clerk read as follows:

Mr. McFADDEN offers the following: Amend, on page 2, by striking out, on line 8, the words "one year," and inserting in lieu thereof the words "two years," and on lines 9 and 10 strike out the words "upon 30 days' notice from the Secretary of the Treasury."

Mr. MOORE of Pennsylvania. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE of Pennsylvania. Did the motion that recently passed preclude all debate on these amendments?

The CHAIRMAN. It precludes all debate, but does not preclude amendments being offered.

Mr. MOORE of Pennsylvania. There can be no further debate?

The CHAIRMAN. No; there can be no further debate. The question is on agreeing to the amendment offered by the gentleman from Pennsylvania [Mr. McFADDEN].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The vote now is on the amendment offered by the gentleman from Virginia [Mr. GLASS].

The question was taken, and the amendment was agreed to.

Mr. GLASS. Mr. Chairman, I now move that the committee rise and report the bill with amendments to the House.

Mr. LENROOT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LENROOT. I desire to ask whether section 2 of the original bill has been read for amendment?

The CHAIRMAN. The Chair will state that section 2 was embodied in the amendment of the gentleman from Virginia [Mr. GLASS]; that the motion was made to strike out all after the enacting clause. The question is on agreeing to the motion of the gentleman from Virginia, that the committee rise and report the bill and amendments to the House, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HARRISON of Mississippi, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill S. 3235, amending section 32, Federal farm-loan act, approved July 17, 1916, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross. The question is on agreeing to the amendments.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. GLASS. Mr. Speaker, I ask for a yea-and-nay vote. No; I will withdraw that request.

Mr. FORDNEY. Mr. Speaker, I renew the motion. I demand the yeas and nays on the bill.

Mr. SHERLEY. We have not reached the passage of the bill yet.

Mr. FORDNEY. On the amendment.

The SPEAKER. Does the gentleman demand the yeas and nays on the amendment?

Mr. FORDNEY. Yes; on the amendment.

Mr. GILLET. Mr. Speaker, I demand the yeas and nays on the Glass amendment.

The SPEAKER. The gentleman from Massachusetts demands the yeas and nays. Those in favor of taking the vote by yeas and nays will rise and stand until they are counted. [After counting.] Forty-five gentlemen have risen in the affirmative—a sufficient number.

Mr. WINGO. I ask for the other side, Mr. Speaker.

The SPEAKER. The gentleman from Arkansas demands the other side. Those opposed to taking this vote by the yeas and nays will rise and stand until they are counted. [After counting.] One hundred and six Members in the negative and 45 in the affirmative. A sufficient number in the affirmative. The yeas and nays are ordered, and the Clerk will report the amendment.

The Clerk began reading the amendment.

Mr. SHERLEY. Mr. Speaker, it is not necessary to read the amendment again. It has been read once.

The SPEAKER. Members ought to know what they are to vote on. The Clerk will report the amendment.

The Clerk resumed and completed the reading of the amendment, as follows:

Strike out all after the enacting clause and insert the following:

"That the Federal farm-loan act, approved July 17, 1916, is hereby amended by adding at the end of section 32 the following:

"The Secretary of the Treasury is further authorized, in his discretion, upon the request of the Federal Farm Loan Board, from time to time during the fiscal years ending June 30, 1918, and June 30, 1919, respectively, to purchase at par and accrued interest, with any funds in the Treasury not otherwise appropriated, from any Federal land bank, farm-loan bonds issued by such bank.

"Such purchases shall not exceed the sum of \$100,000,000 in either of such fiscal years. Any Federal land bank may at any time repurchase at par and accrued interest for the purpose of redemption or resale any bonds so purchased from it and held in the Treasury.

"The bonds of any Federal land bank so purchased by the Secretary of the Treasury and held in the Treasury under the provisions of this amendment one year after the termination of the pending war shall upon 30 days' notice from the Secretary of the Treasury be redeemed or repurchased by such bank at par and accrued interest."

"The temporary organization of any Federal land bank as provided in section 4 of said Federal farm-loan act shall be continued so long as any farm-loan bonds purchased from it under the provisions of this amendment shall be held by the Treasury, and until the subscriptions to stock in such bank by national farm-loan associations shall equal the amount of stock held in such bank by the Government of the United States."

"Sec. 2. That all acts or parts of acts inconsistent with this act are hereby repealed, and this act shall take effect upon its passage. The right to amend, alter, or repeal this act is hereby expressly reserved."

The SPEAKER. The question is on agreeing to the amendment. The Clerk will call the roll.

The question was taken; and there were—yeas 218, nays 70, answered "present" 1, not voting 139, as follows:

## YEAS—218.

Alexander	Drane	Kennedy, Iowa	Rubey
Almon	Dupré	Kettner	Russell
Anderson	Eagle	Kiess, Pa.	Schall
Aswell	Ellsworth	Kincheloe	Scott, Iowa
Austin	Emerson	Kinkaid	Scott, Mich.
Ayres	Esch	Kitchin	Sells
Baer	Evans	Knutson	Shackelford
Bankhead	Fairfield	La Follette	Shallenberger
Barkley	Farr	Langley	Sherley
Beakes	Ferris	Larsen	Sherwood
Bell	Fields	Lazaro	Shouse
Beshlin	Fisher	Lea, Cal.	Siegel
Black	Flood	Lee, Ga.	Sims
Blackmon	Focht	Leshner	Sinnott
Bland	Foster	Lever	Sisson
Blanton	Frear	Little	Sloan
Borland	French	Littlepage	Small
Brand	Fuller, Ill.	Lobeck	Smith, Idaho
Brodbeck	Fuller, Mass.	London	Smith, T. F.
Buchanan	Gandy	Loneragan	Snook
Burnett	Gard	Lunn	Steagall
Byrnes, S. C.	Garner	McAndrews	Stedman
Byrnes, Tenn.	Garrett, Tenn.	McClintic	Steele
Caldwell	Garrett, Tex.	McKenzie	Steenerson
Campbell, Pa.	Glass	McKeown	Stephens, Miss.
Candler, Miss.	Godwin, N. C.	McLemore	Stephens, Nebr.
Cannon	Gray, Ala.	Mansfield	Stevenson
Cantrill	Gregg	Mapes	Summers
Caraway	Hadley	Mays	Sweet
Carlin	Hamill	Mondell	Switzer
Carter, Okla.	Hamilton, Mich.	Montague	Taylor, Ark.
Chandler, Okla.	Hamlin	Moon	Thomas
Classon	Hardy	Morgan	Thompson
Claypool	Harrison, Miss.	Nicholls, S. C.	Van Dyke
Coady	Harrison, Va.	Norton	Venable
Collier	Haskell	Olifield	Vinson
Connelly, Kans.	Hastings	Oliver, Ala.	Voigt
Cooper, Ohio	Haugen	Oliver, N. Y.	Volstead
Crampton	Hawley	Olney	Walton
Curtis, Mich.	Hayden	Osborne	Watkins
Dale, N. Y.	Helvering	O'Shaunessy	Weaver
Davidson	Hensley	Overmyer	Weiling
Davis	Hilliard	Overstreet	Welty
Decker	Holland	Park	Whaley
Denison	Hood	Quin	White, Ohio
Denton	Huddleston	Rainey	Williams
Dewalt	Hull, Iowa	Raker	Wilson, La.
Dickinson	Hull, Tenn.	Ramseyer	Wilson, Tex.
Dies	Igoe	Randall	Wingo
Dillon	Jacoway	Rankin	Woods, Iowa
Dixon	Johnson, Ky.	Rayburn	Woodyard
Dominick	Jones, Tex.	Reavis	Young, N. Dak.
Doughton	Keating	Roberts	Young, Tex.
Dowell	Kebae	Romjue	
	Kelley, Mich.	Rouse	

## NAYS—70.

Bacharach	Gould	McArthur	Stafford
Bowers	Graham, Ill.	McFadden	Stiness
Burroughs	Green, Iowa	Madden	Tague
Butler	Greene, Vt.	Merritt	Temple
Campbell, Kans.	Griest	Moore, Pa.	Tilson
Carter, Mass.	Hayes	Mudd	Towner
Dale, Vt.	Heaton	Nolan	Treadway
Dallinger	Hersey	Parker, N. J.	Vestal
Darrow	Hicks	Peters	Waldow
Edmonds	Hutchinson	Phelan	Walsh
Elliott	Juul	Platt	Ward
Elston	Kahn	Purnell	Watson, Pa.
Fess	Kearns	Ramsey	Wheeler
Fordney	Kennedy, R. I.	Robbins	White, Me.
Francis	Kraus	Rose	Wood, Ind.
Freeman	Leibach	Sabath	
Gillett	Lenroot	Sanders, Ind.	
Glynn	Lufkin	Snell	

## ANSWERED "PRESENT"—1.

Browning

## NOT VOTING—139.

Anthony	Brumbaugh	Clark, Fla.	Costello
Ashbrook	Capstick	Clark, Pa.	Cox
Barnhart	Carew	Connally, Tex.	Crago
Booher	Cary	Cooper, W. Va.	Crisp
Britten	Chandler, N. Y.	Cooper, Wis.	Crosser
Browne	Church	Copley	Curry, Cal.

Dempsey	Houston	Miller, Wash.	Scott, Pa.
Dill	Howard	Moore, Ind.	Scully
Dooling	Humphreys	Morin	Sears
Doolittle	Husted	Mott	Slayden
Doremus	Ireland	Neely	Slemp
Drukker	James	Nelson	Smith, Mich.
Dunn	Johnson, S. Dak.	Nichols, Mich.	Smith, C. B.
Dyer	Johnson, Wash.	Padgett	Snyder
Eagan	Jones, Va.	Paige	Sterling, Ill.
Estopinal	Kelly, Pa.	Parker, N. Y.	Sterling, Pa.
Fairchild, B. L.	Key, Ohio	Polk	Strong
Fairchild, G. W.	King	Porter	Sullivan
Flynn	Kreider	Pou	Swift
Foss	LaGuardia	Powers	Talbot
Gallagher	Linthicum	Pratt	Taylor, Colo.
Gallivan	Longworth	Price	Templeton
Garland	Lundeen	Ragsdale	Tillman
Good	McCormick	Reed	Timberlake
Goodall	McCulloch	Riordan	Tinkham
Goodwin, Ark.	McKinley	Robinson	Vare
Gordon	McLaughlin, Mich.	Rodenberg	Walker
Graham, Pa.	McLaughlin, Pa.	Rogers	Watson
Gray, N. J.	Magee	Rowe	Watson, Va.
Greene, Mass.	Maher	Rowland	Webb
Hamilton, N. Y.	Mann	Rucker	Wilson, Ill.
Healin	Martin	Sanders, La.	Winslow
Heintz	Mason	Sanders, N. Y.	Wise
Helm	Meeker	Sanford	Zihlman
Hollingsworth	Miller, Minn.	Saunders, Va.	

So the amendment was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Pou with Mr. RODENBERG.

Mr. HELM with Mr. STRONG.

Mr. SCULLY with Mr. LA GUARDIA.

Mr. TALBOTT with Mr. BROWNING.

Mr. ASHBROOK with Mr. ANTHONY.

Mr. BARNHART with Mr. BRITTEN.

Mr. BOOHER with Mr. BROWNE.

Mr. BRUMBAUGH with Mr. CAPSTICK.

Mr. CAREW with Mr. CARY.

Mr. CHURCH with Mr. CHANDLER of New York.

Mr. CLARK of Florida with Mr. CLARK of Pennsylvania.

Mr. CONNALLY of Texas with Mr. COOPER of West Virginia.

Mr. COX with Mr. COOPER of Wisconsin.

Mr. WISE with Mr. TEMPLETON.

Mr. CROSSER with Mr. WASON.

Mr. DILL with Mr. CRAGO.

Mr. DOOLING with Mr. CURRY of California.

Mr. DOREMUS with Mr. DEMPSEY.

Mr. EGAN with Mr. WILSON of Illinois.

Mr. ESTOPINAL with Mr. DUNN.

Mr. FLYNN with Mr. ZIHLMAN.

Mr. GALLAGHER with Mr. BENJAMIN L. FAIRCHILD.

Mr. GALLIVAN with Mr. GEORGE W. FAIRCHILD.

Mr. GOODWIN of Arkansas with Mr. FOSS.

Mr. GORDON with Mr. GARLAND.

Mr. HEFLIN with Mr. ROWE.

Mr. HOUSTON with Mr. GOODALL.

Mr. HOWARD with Mr. GRAHAM of Pennsylvania.

Mr. HUMPHREYS with Mr. GREENE of Massachusetts.

Mr. JONES of Virginia with Mr. HAMILTON of New York.

Mr. KELLY of Pennsylvania with Mr. ROWLAND.

Mr. KEY of Ohio with Mr. HOLLINGSWORTH.

Mr. LINTHICUM with Mr. HUSTED.

Mr. MAHER with Mr. IRELAND.

Mr. MARTIN with Mr. JAMES.

Mr. NEELY with Mr. SANFORD.

Mr. WEBB with Mr. JOHNSON of Washington.

Mr. PADGETT with Mr. KING.

Mr. POLK with Mr. SIEGEL.

Mr. PRICE with Mr. LONGWORTH.

Mr. RIORDAN with Mr. SMITH of Michigan.

Mr. ROBINSON with Mr. SNYDER.

Mr. RUCKER with Mr. MCKINLEY.

Mr. SANDERS of Louisiana with Mr. McLAUGHLIN of Pennsylvania.

Mr. SANDERS of New York with Mr. McLAUGHLIN of Michigan.

Mr. SAUNDERS of Virginia with Mr. McGEE.

Mr. SEARS with Mr. MASON.

Mr. SLAYDEN with Mr. MECKER.

Mr. STERLING of Pennsylvania with Mr. MILLER of Minnesota.

Mr. CHARLES B. SMITH with Mr. STERLING of Illinois.

Mr. SULLIVAN with Mr. MOTT.

Mr. TAYLOR of Colorado with Mr. NICHOLS of Michigan.

Mr. TILLMAN with Mr. PAIGE.

Mr. WALKER with Mr. PORTER.

Mr. WATSON of Virginia with Mr. POWERS.

Mr. WEBB with Mr. PRATT.

On this vote:

Mr. TIMBERLAKE (for) with Mr. COSTELLO (against).



Mr. CRISP (for) with Mr. TINKHAM (against).  
 Mr. LUNDEEN (for) with Mr. WINSLOW (against).  
 Mr. DOOLITTLE (for) with Mr. ROGERS (against).  
 Mr. RAGSDALE (for) with Mr. GRAY of New Jersey (against).  
 Mr. BROWNING. Mr. Speaker, I voted "no." I am paired with my colleague, Mr. TALBOTT. I wish to withdraw that vote and answer "present."

Mr. BENJAMIN L. FAIRCHILD. Mr. Speaker, I want to vote "aye."

The SPEAKER. Was the gentleman in the Hall and listening when his name should have been called?

Mr. BENJAMIN L. FAIRCHILD. I am not sure. I was rushing in in response to the bell, and got in as soon as I could.

The SPEAKER. The gentleman does not qualify himself to vote.

The result of the vote was then announced as above recorded.

The SPEAKER. The question now is on the third reading of the Senate bill.

The question was taken; and the bill was ordered to be read a third time and was read the third time.

Mr. CANNON. Mr. Speaker, I move to recommit the bill with the following instructions.

The Clerk read as follows:

Mr. CANNON moves to recommit the bill with instructions to report it back forthwith amended as follows:  
 Strike out all of section 1 of the bill beginning with line 6, page 1, and insert:

"The payment of all bonds, both principal and interest, heretofore or hereafter issued by any Federal land bank is hereby guaranteed by the Government of the United States."

The SPEAKER. The question is on the motion to recommit. The question was taken, and the motion was rejected.

The SPEAKER. The question now is on the passage of the bill.

The question was taken, and the bill was passed.

Mr. GLASS. Mr. Speaker, I move that the House insist on its amendment to the Senate amendment and ask for a conference with the House.

The motion was agreed to.

The SPEAKER appointed as conferees on the part of the House Mr. GLASS, Mr. PHELAN, and Mr. HAYES.

#### EXTENSION OF REMARKS.

Mr. STEENERSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on this bill.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. WALSH. I object.

Mr. NORTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD in the speech I have already made.

The SPEAKER. The gentleman from North Dakota asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. WALSH. I object.

#### LEAVE OF ABSENCE.

Mr. BARNHART, by unanimous consent was given leave of absence on account of illness.

The SPEAKER. The Clerk will read this telegram.

The Clerk read as follows:

PHILADELPHIA, Pa., January 4, 1918.

Hon. CHAMP CLARK.

Speaker House of Representatives, Washington, D. C.:

My colleagues, PETER E. COSTELLO and JOHN R. K. SCOTT, and I are unable to reach Washington to-day on account of inadequate railroad train service.

WM. S. VARR.

The SPEAKER. The Chair construes this as asking for leave of absence. Is there objection? [After a pause.] The Chair hears none.

#### LEAVE TO PRINT.

Mr. GLASS. Mr. Speaker, in view of the fact that there are so many Members of the House who wanted to speak on this bill and were not permitted to do so, I ask unanimous consent that general leave to print on this bill be allowed for five legislative days.

The SPEAKER. The gentleman from Virginia asks unanimous consent that all gentlemen have leave to print for five legislative days on the bill. Is there objection?

Mr. WALSH. I object.

Mr. GLASS. Then, Mr. Speaker, I move that they be allowed to have five legislative days to print on the bill.

Mr. WALSH. I make the point of order that that is not in order.

The SPEAKER. The gentleman from Virginia moves that all Members be given five legislative days to print on the bill.

Mr. WALSH. I make the point of order that the motion is not in order; that you can not make a motion of that kind under the rule.

Mr. STAFFORD. Mr. Speaker, I make the point of order that no quorum is present.

Mr. GLASS. I move to suspend the rules.

The SPEAKER. The gentleman can not do that to-day. Will the gentleman from Wisconsin withhold his point for the present?

Mr. STAFFORD. I will withdraw it for the present.

#### ADJOURNMENT OVER.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Monday next.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet on Monday next. Is there objection?

There was no objection.

#### CUSTOMS-COLLECTION DISTRICTS (H. DOC. NO. 753).

The SPEAKER laid before the House the following message from the President of the United States, which was read, ordered printed, and referred to the Committee on Ways and Means:

By Executive order dated September 7, 1917, effective October 1, 1917, customs-collection district No. 23, of which Laredo was the headquarters port, and district No. 25, of which Eagle Pass, Tex., was the headquarters port, were abolished and a new district No. 23 created with headquarters at San Antonio, Tex.

Districts No. 22, of which Galveston is the headquarters port, and No. 24, of which El Paso is the headquarters port, were enlarged. These changes were made in order to insure a better administration of the customs laws and to lessen the expenses.

WOODROW WILSON.

THE WHITE HOUSE, 4 January, 1918.

#### COUNCIL OF NATIONAL DEFENSE (S. DOC. NO. 156).

The SPEAKER laid before the House the following message from the President of the United States, which was referred to the Committee on Appropriations and, without the accompanying document, ordered printed:

To the Senate and House of Representatives:

In accordance with the provisions of the act of Congress approved August 29, 1916, establishing the Council of National Defense and providing for the appointment of an advisory commission to the council, I transmit herewith the first annual report of the council, the advisory commission, and the subordinate agencies of both bodies for the fiscal year ended June 30, 1917.

WOODROW WILSON.

THE WHITE HOUSE, 4 January, 1918.

#### UNANIMOUS CONSENT TO ADDRESS THE HOUSE.

Mr. STAFFORD. Mr. Speaker, I make the point that there is no quorum present.

Mr. BORLAND. Mr. Speaker, I rise to prefer a request for unanimous consent. I ask unanimous consent that on next Tuesday, after the reading of the Journal and the disposition of business on the Speaker's table, I may be allowed to address the House for 30 minutes.

Mr. GILLET. On what subject?

Mr. BORLAND. It is the one hundredth anniversary of the application of Missouri for statehood.

The SPEAKER. Is there objection?

There was no objection.

Mr. CARLIN. Mr. Speaker, I ask the Chair to lay before the House Senate joint resolution 106.

Mr. STAFFORD. Mr. Speaker, I make the point of order that there is no quorum present.

#### ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 10 minutes p. m.), in accordance with the order heretofore made, the House adjourned until Monday, January 7, 1918, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting copy of a communication from the chairman of the United States Shipping Board, submitting a supplemental estimate of

appropriation for the acquisition or establishment of plants suitable for shipbuilding (H. Doc. No. 739); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting copy of a communication from the president of the Civil Service Commission, submitting supplemental estimates of appropriations required by the commission for salaries and expenses for the fiscal year 1919 (H. Doc. No. 740); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Bayou Queve De Totue, La. (H. Doc. No. 741); to the Committee on Rivers and Harbors and ordered to be printed.

4. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Columbia River, Oreg., from the mouth of the Snake River to Priest Rapids, with a view to improving open-river navigation (H. Doc. No. 742); to the Committee on Rivers and Harbors and ordered to be printed.

5. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Greenwood Lake, N. J., with a view to dredging channel at the southern end (H. Doc. No. 743); to the Committee on Rivers and Harbors and ordered to be printed.

6. A letter from the Secretary of the Navy, transmitting tentative draft of a bill to amend an act approved May 27, 1908 (34 Stats., pp. 417, 418), and for other purposes (H. Doc. No. 744); to the Committee on Naval Affairs and ordered to be printed.

7. A letter from the Secretary of the Navy, transmitting tentative draft of a bill for the relief of Paymaster Alvin Hovey-King, United States Navy (H. Doc. No. 745); to the Committee on Claims and ordered to be printed.

8. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Cape Fear River, N. C., with a view to securing an increased depth from Wilmington to the sea (H. Doc. No. 746); to the Committee on Rivers and Harbors and ordered to be printed.

9. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of channel of Young Bay from the main ship channel of the Columbia River to a point 1 mile above County Road Bridge (H. Doc. No. 747); to the Committee on Rivers and Harbors and ordered to be printed.

10. A letter from the Secretary of the Navy, transmitting tentative draft of a bill for the relief of certain ex-paymasters' clerks, United States Navy (H. Doc. No. 748); to the Committee on Naval Affairs and ordered to be printed.

11. A letter from the Secretary of the Navy, transmitting a tentative draft of legislation for the relief of certain officers of the United States Navy (H. Doc. No. 749); to the Committee on Naval Affairs and ordered to be printed.

12. A letter from the Secretary of the Treasury, transmitting copy of communication from the director of the mint submitting a supplemental estimate of appropriations required by the Bureau of the Mint for wages and contingent expenses of the assay office at New York for the fiscal year 1918 (H. Doc. No. 750); to the Committee on Appropriations and ordered to be printed.

13. A letter from the Secretary of the Treasury, transmitting copy of a communication of the Secretary of War submitting an estimate of deficiency in the appropriation for protecting Panama Canal and canal structures for the fiscal year ending June 30, 1918 (H. Doc. No. 751); to the Committee on Appropriations and ordered to be printed.

14. A letter from the Secretary of the Treasury, transmitting copy of a communication from the superintendent of the State, War, and Navy Department Building submitting supplemental estimate of appropriations required for operation of the State, War, and Navy Department Building during the remainder of the fiscal year 1918 (H. Doc. No. 752); to the Committee on Appropriations and ordered to be printed.

#### CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 7089) for the relief of the heirs of Adam and Noah Brown; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 5327) granting an increase of pension to Robert J. Clark; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. BRODBECK: A bill (H. R. 8168) providing for the protection of Antwerp homing pigeons when in interstate flight, under such regulation as may be prescribed by the Secretary of War; to the Committee on Military Affairs.

By Mr. SULZER: A bill (H. R. 8169) making an appropriation for the establishment of a hospital for the care and custody of the legally adjudged insane of Alaska, providing for the selection of the site thereof, and for other purposes; to the Committee on Appropriations.

By Mr. TOWNER: A bill (H. R. 8170) to establish the department of war supplies, to provide for the appointment of a secretary of war supplies, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H. R. 8171) to establish the department of munitions, to provide for the appointment of a secretary of munitions, and for other purposes; to the Committee on Military Affairs.

By Mr. SIMS: A bill (H. R. 8172) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CURRY of California: A bill (H. R. 8173) to fix the status and rank of officers of the retired list of the Army who have been or shall be detailed on active duty by direction of the President of the United States; to the Committee on Military Affairs.

By Mr. LOBECK: A bill (H. R. 8174) providing for the classification of salaries of veterinary inspectors and lay inspectors (grades 1 and 2) employed in the Bureau of Animal Industry, Department of Agriculture; to the Committee on Agriculture.

By Miss RANKIN: A bill (H. R. 8175) to equalize the wages paid to men and women employees of the Government who perform similar labor; to the Committee on Reform in the Civil Service.

By Mr. KEATING: A bill (H. R. 8301) granting an increase in appropriation to all State and Territorial soldiers' and sailors' homes from \$100 per year for each inmate to \$150 per year for each inmate thereof; to the Committee on Appropriations.

By Mr. ASWELL: Joint resolution (H. J. Res. 206) authorizing the President to take possession of the electrical agencies of communication to meet certain military exigencies, etc.; to the Committee on Interstate and Foreign Commerce.

By Miss RANKIN: Joint resolution (H. J. Res. 204) proposing recognition by the Congress of the United States of the right of Irish independence; to the Committee on Foreign Affairs.

Also, joint resolution (H. J. Res. 205) authorizing the President to require all employers of labor in the United States during the progress of the war to pay women the same wages as they pay the men for performing similar work; to the Committee on Labor.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND: A bill (H. R. 8176) granting an increase of pension to Walter W. McGehee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8177) granting an increase of pension to Robert W. Potts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8178) granting a pension to Ida E. Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8179) granting a pension to G. C. Crawshaw; to the Committee on Invalid Pensions.

By Mr. BRODBECK: A bill (H. R. 8180) granting a pension to Daniel B. Yeaple; to the Committee on Pensions.

Also, a bill (H. R. 8181) granting a pension to Charles C. Cooper; to the Committee on Pensions.

Also, a bill (H. R. 8182) granting an increase of pension to George W. Welsh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8183) to correct the military record of Jeremiah Stover; to the Committee on Military Affairs.

Also, a bill (H. R. 8184) to correct the military record of Nathaniel Staub; to the Committee on Military Affairs.

By Mr. CANNON: A bill (H. R. 8185) granting a pension to William Stewart; to the Committee on Pensions.

Also, a bill (H. R. 8186) granting a pension to Andy Skaats; to the Committee on Pensions.

Also, a bill (H. R. 8187) granting a pension to William Campbell; to the Committee on Pensions.

By Mr. CLASSON: A bill (H. R. 8188) granting an increase of pension to Andrew J. Britton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8189) granting an increase of pension to James E. Webb; to the Committee on Invalid Pensions.



Also, a bill (H. R. 8190) granting an increase of pension to Alfred Hazen; to the Committee on Invalid Pensions.

By Mr. CLAYPOOL: A bill (H. R. 8191) granting an increase of pension to Edward P. Tuttle; to the Committee on Invalid Pensions.

By Mr. DENISON: A bill (H. R. 8192) granting an increase of pension to Martin H. Ozment; to the Committee on Invalid Pensions.

By Mr. DIXON: A bill (H. R. 8193) granting an increase of pension to William Rook; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8194) granting an increase of pension to Frederick Von Dissen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8195) granting an increase of pension to Samuel J. McDonald; to the Committee on Pensions.

Also, a bill (H. R. 8196) granting an increase of pension to Joseph F. Hughey; to the Committee on Pensions.

By Mr. DUPRÉ: A bill (H. R. 8197) granting a pension to James A. Coyne; to the Committee on Pensions.

By Mr. DYER: A bill (H. R. 8198) granting a pension to Elizabeth Ohl; to the Committee on Invalid Pensions.

By Mr. FERRIS: A bill (H. R. 8199) granting a pension to Joseph B. Montgomery; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8200) granting a pension to James M. Conner; to the Committee on Pensions.

Also, a bill (H. R. 8201) granting an increase of pension to Leonidas H. Oldfield; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8202) for the relief of the Woman's Board of Domestic Missions, Reformed Church in America; to the Committee on Indian Affairs.

By Mr. FRENCH: A bill (H. R. 8203) granting a pension to John Miller; to the Committee on Pensions.

By Mr. GARD: A bill (H. R. 8204) granting a pension to Thomas Mahan; to the Committee on Pensions.

Also, a bill (H. R. 8205) granting a pension to William Bogen; to the Committee on Pensions.

Also, a bill (H. R. 8206) granting an increase of pension to Lucretia Napier; to the Committee on Invalid Pensions.

By Mr. GREEN of Iowa: A bill (H. R. 8207) granting a pension to Sarah Johnson; to the Committee on Invalid Pensions.

By Mr. HENSLEY: A bill (H. R. 8208) granting an increase of pension to James C. Paullus; to the Committee on Invalid Pensions.

By Mr. HULL of Iowa: A bill (H. R. 8209) granting an increase of pension to George W. Bagley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8210) granting an increase of pension to Eugene B. Hoxie; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8211) granting an increase of pension to William M. McCune; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8212) granting an increase of pension to Charles Thompson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8213) granting a pension to Anna Eliza Serrien; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8214) granting a pension to Jesse Holt; to the Committee on Pensions.

By Mr. GANDY (for Mr. JOHNSON of South Dakota): A bill (H. R. 8215) granting an increase of pension to James Cooper; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Iowa: A bill (H. R. 8216) granting a pension to Mrs. Ollie Laehn; to the Committee on Pensions.

Also, a bill (H. R. 8217) granting a pension to Frank C. Barrow; to the Committee on Pensions.

Also, a bill (H. R. 8218) granting an increase of pension to William Turnham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8219) granting an increase of pension to Simeon Scott; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8220) granting an increase of pension to Seth K. Coats; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8221) granting an increase of pension to Isaac M. Glasford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8222) granting an increase of pension to John Guy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8223) granting an increase of pension to Isaac N. Rhodes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8224) granting an increase of pension to David Houghton; to the Committee on Invalid Pensions.

By Mr. KIESS of Pennsylvania: A bill (H. R. 8225) for the relief of John A. Odell; to the Committee on Military Affairs.

Also, a bill (H. R. 8226) for the relief of Cyrus J. Wilsey; to the Committee on Military Affairs.

Also, a bill (H. R. 8227) to correct the military record of John S. Miller; to the Committee on Military Affairs.

Also, a bill (H. R. 8228) granting an increase of pension to Henry D. Loveland; to the Committee on Invalid Pensions.

By Mr. LENROCK: A bill (H. R. 8229) granting a pension to Christopher Johnson; to the Committee on Pensions.

By Mr. LESHER: A bill (H. R. 8230) granting an increase of pension to C. F. Dewert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8231) granting an increase of pension to Samuel J. Pealer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8232) granting an increase of pension to James A. Kooney; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8233) granting an increase of pension to John L. C. Kline; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8234) granting an increase of pension to William Roup; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8235) granting an increase of pension to James J. Mitchell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8236) granting an increase of pension to Benjamin Masteller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8237) granting a pension to Benjamin E. Kneibler; to the Committee on Pensions.

By Mr. LOBECK: A bill (H. R. 8238) granting a pension to Amandy Hall; to the Committee on Invalid Pensions.

By Mr. MORGAN: A bill (H. R. 8239) granting an increase of pension to Pleasant H. Ripley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8240) granting an increase of pension to Ephraim J. Stroud; to the Committee on Invalid Pensions.

By Mr. MUDD: A bill (H. R. 8241) granting an increase of pension to John W. Higdon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8242) granting an increase of pension to Andrea Coda; to the Committee on Invalid Pensions.

By Mr. OVERMYER: A bill (H. R. 8243) for the relief of Hewson L. Peeke; to the Committee on Claims.

By Mr. PURNELL: A bill (H. R. 8244) granting an increase of pension to Jacob L. Helms; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8245) granting a pension to Elizabeth C. Fry; to the Committee on Invalid Pensions.

By Mr. ROUSE: A bill (H. R. 8246) granting an increase of pension to Michael Gallagher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8247) granting an increase of pension to Oliver P. Krutz; to the Committee on Invalid Pensions.

By Mr. RUCKER: A bill (H. R. 8248) granting an increase of pension to Joseph B. Summers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8249) granting an increase of pension to Nancy Wood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8250) granting an increase of pension to John H. Price; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8251) granting an increase of pension to Nellie G. Carr; to the Committee on Pensions.

Also, a bill (H. R. 8252) granting a pension to William V. Yeager; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8253) granting a pension to Ezra Cleveland; to the Committee on Invalid Pensions.

By Mr. RUSSELL: A bill (H. R. 8254) granting an increase of pension to William H. Simmons; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8255) granting an increase of pension to F. M. Keltner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8256) granting an increase of pension to Alfred F. Yates; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8257) granting an increase of pension to William May; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8258) granting a pension to Pearl Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8259) granting a pension to Mary Cash; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8260) granting a pension to Sarah E. Vin- ing; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8261) granting a pension to Dicy C. Robinson; to the Committee on Pensions.

By Mr. SANDERS of Indiana: A bill (H. R. 8262) granting an increase of pension to Jasper N. Woods; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8263) granting an increase of pension to Benjamin F. Kester; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8264) granting an increase of pension to Harvey Connerly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8265) granting an increase of pension to William W. Decker, sometimes known as I. W. Sanders; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8266) granting an increase of pension to Mary A. Kinsley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8267) granting an increase of pension to James Knight; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8268) granting an increase of pension to John S. Thorp; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8269) granting an increase of pension to Noah Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8270) granting an increase of pension to Isaac Q. Wiggins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8271) granting an increase of pension to Joseph Carter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8272) granting an increase of pension to Harlie A. Calvin; to the Committee on Pensions.

Also, a bill (H. R. 8273) granting a pension to Jesse O. Ray; to the Committee on Pensions.

Also, a bill (H. R. 8274) granting a pension to Lizzie Wilkins; to the Committee on Pensions.

Also, a bill (H. R. 8275) granting a pension to Ellen Patch, widow of Jesse C. Patch; to the Committee on Pensions.

Also, a bill (H. R. 8276) granting a pension to Mrs. Jennie Ridgley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8277) granting a pension to Lydia A. Keller; to the Committee on Invalid Pensions.

By Mr. SLAYDEN: A bill (H. R. 8278) granting an increase of pension to John B. Albrecht; to the Committee on Pensions.

Also, a bill (H. R. 8279) granting a pension to Jacob Sauerwein; to the Committee on Pensions.

By Mr. STEELE: A bill (H. R. 8280) for the relief of George Sloan; to the Committee on Claims.

By Mr. SWEET: A bill (H. R. 8281) granting an increase of pension to David A. Ladd; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8282) granting an increase of pension to Frank Stimpson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8283) to reimburse Mrs. Abbie J. Foster for safe destroyed by burglars; to the Committee on Claims.

By Mr. TAYLOR of Colorado: A bill (H. R. 8284) granting an increase of pension to J. K. P. Morelock; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8285) granting an increase of pension to Daniel McCommon; to the Committee on Invalid Pensions.

By Mr. WHITE of Maine: A bill (H. R. 8286) to remove the charge of desertion from the military record of Micheal Gillespie, alias Micheal Harrington; to the Committee on Military Affairs.

Also, a bill (H. R. 8287) granting an increase of pension to Alvin D. Lane; to the Committee on Invalid Pensions.

By Mr. WOODYARD: A bill (H. R. 8288) to correct the military record of Nathan Cunningham; to the Committee on Military Affairs.

By Mr. CLARK of Missouri: A bill (H. R. 8289) to appoint Lieut. Commander Richard Drace White a commander on the active list of the United States Navy; to the Committee on Naval Affairs.

By Mr. DECKER: A bill (H. R. 8290) granting a pension to Samuel D. Lee; to the Committee on Invalid Pensions.

By Mr. KEATING: A bill (H. R. 8291) granting an increase of pension to Edmond C. Kirk; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8292) granting an increase of pension to John S. Bemisdarfer; to the Committee on Invalid Pensions.

By Mr. KEY of Ohio: A bill (H. R. 8293) granting an increase of pension to John L. Nebergall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8294) granting an increase of pension to Andrew Moore; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8295) granting an increase of pension to James Carmine; to the Committee on Invalid Pensions.

By Mr. MCKENZIE: A bill (H. R. 8296) granting a pension to Henry A. Rowley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8297) granting a pension to Charles Wheeldon; to the Committee on Pensions.

Also, a bill (H. R. 8298) granting a pension to Nellie Hubacher; to the Committee on Pensions.

By Mr. MONDELL: A bill (H. R. 8299) granting a pension to Alice C. Baker; to the Committee on Pensions.

By Mr. WARD: A bill (H. R. 8300) granting an increase of pension to George Perkins; to the Committee on Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BLAND: Evidence in support of bill granting increase in pension of Ida E. Jones; to the Committee on Invalid Pensions.

Also, evidence in support of bill granting increase of pension to George C. Cranshaw; to the Committee on Invalid Pensions.

Also, evidence in support of bill granting increase in pension of Robert W. Potts; to the Committee on Invalid Pensions.

Also, evidence in support of bill granting increase in pension of Walter W. McGehee; to the Committee on Invalid Pensions.

By Mr. CARY: Petition of National Federation of Federal Employees, favoring passage of the Keating bill to increase pay of Government employees; to the Committee on Appropriations.

Also, memorials of Philadelphia Trade Press Club and American Federation of Labor, opposing changing present rates on second-class mail matter; to the Committee on Ways and Means.

Also, petition of Albert H. Van Deusen, favoring passage of the volunteer officers' retirement bill; to the Committee on Military Affairs.

By Mr. CURRY of California: Petition of Rural Letter Carriers' Association of California, asking increase in salaries, etc.; to the Committee on the Post Office and Post Roads.

By Mr. DALE of New York: Memorial of Federal Employees' Union No. 4, favoring increase of salaries of Government employees; to the Committee on Appropriations.

By Mr. DARROW: Memorial of Pennsylvania Woman Suffrage Association, favoring woman suffrage; to the Committee on Woman Suffrage.

By Mr. ESCH: Memorial of women of Monroe County, Wis., favoring a Federal suffrage amendment; to the Committee on Woman Suffrage.

Also, papers in support of House bill 7938, granting a pension to Phebe A. Shisler; to the Committee on Invalid Pensions.

By Mr. FULLER of Illinois: Memorial of Vorhis Post, No. 273, Department of Iowa, Grand Army of the Republic, for increase of Civil War soldiers' pensions; to the Committee on Invalid Pensions.

By Mr. HARDY: Petition of sundry citizens of Corsicana, Tex., opposing bill to limit the number of cars in a freight train; to the Committee on Interstate and Foreign Commerce.

By Mr. KENNEDY of Rhode Island: Petitions of 102 men and 175 women of the third congressional district of Rhode Island and Newport (R. I.) Central Labor Union, favoring passage of Federal amendment for woman suffrage; to the Committee on Woman Suffrage.

Also, petition of Ellen D. Sharpe, of Providence, R. I., protesting against passage of woman-suffrage amendment; to the Committee on Woman Suffrage.

By Mr. KIESS of Pennsylvania: Evidence in support of House bill 6713, granting increase in pension of John S. McGinness; to the Committee on Invalid Pensions.

By Mr. PURNELL: Petition of Alonzo J. Nay and others, of Boone County, Ind., asking bill to forever prohibit boards of trades; to the Committee on Interstate and Foreign Commerce.

Also, petition of James C. Doty and others, favoring creation of court of appeals for benefit of civil-service employees; to the Committee on Reform in the Civil Service.

By Mr. RAKER: Memorial of Half Century Association of America, urging suspension of age limit under civil service; to the Committee on Reform in the Civil Service.

Also, memorial of San Francisco Labor Council, protesting against importation of Chinese labor into the country; to the Committee on Immigration and Naturalization.

Also, memorial of parishioners of Christ Church, Washington, D. C., favoring woman suffrage; to the Committee on Woman Suffrage.

Also, petition of State commission of horticulture, Sacramento, Cal., favoring increase in appropriation for extermination of ground squirrels; to the Committee on Agriculture.

Also, memorial of American Federation of Labor, against war tax on second-class mail matter; to the Committee on Ways and Means.

Also, memorial of Alameda County Civic Association, Oakland, Cal., favoring location of Pacific naval base on shores of Alameda; to the Committee on Naval Affairs.

By Mr. RAMSEYER: Petition of 70 ladies of Mahaska County, 25 of Monroe County, and 713 ladies of Wapello County, all in the State of Iowa, favoring woman suffrage; to the Committee on Woman Suffrage.

By Mr. TAGUE: Petition of The Bronx Board of Trade, of New York City, favoring keeping pneumatic mail tube; to the Committee on the Post Office and Post Roads.

By Mr. TIMBERLAKE: Resolution of Federated Trades Council, Colorado Springs, Colo., favoring the adoption of the Susan B. Anthony suffrage amendment; to the Committee on Woman Suffrage.

By Mr. VARE: Petition of Philadelphia Trade Press Club, protesting against rates on second-class mail matter; to the Committee on Ways and Means.

Also, memorial of Prison Reform League of Pennsylvania, requesting investigation of prisons of the District of Columbia; to the Committee on the District of Columbia.

Also, memorial of Pennsylvania Woman Suffrage Association, favoring woman suffrage; to the Committee on Woman Suffrage.